

# amec



# Acknowledgements

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# Study background

# This report

This report covers the findings of the AMEC Global Business Insights Study 2017

The online survey is designed to be completed by MD/ CEO level participants and invitations are sent to all current AMEC members

- In total, 107 organisations qualify for inclusion in the 2016 survey
- 85 completed survey submissions were received in the survey period – a high response rate of 79%
- Research was carried out between 3<sup>rd</sup> March and 10<sup>th</sup> April 2016

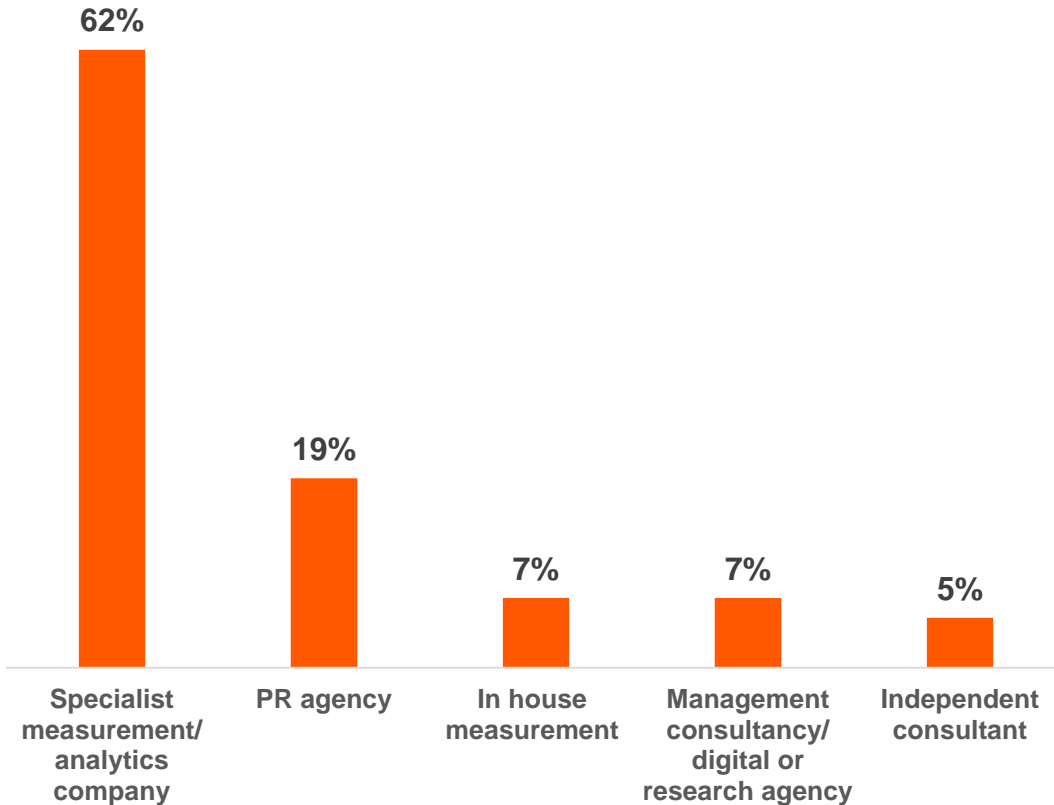
The survey data has been analysed to look at specific groups within the overall population of AMEC members – defined by location, size and type of business

- Throughout the analysis process we have looked at how the findings vary across these different categories, but this comparison is only discussed and/or illustrated in the report where it shows an informative contrast between different groups
- Comparison between sub-groups should be interpreted as an illustration of differences in emphasis and experience between different categories of member, but cannot be said to be statistically significant, owing to the small numbers involved

Points to note when reading the report

- Where combined percentage figures do not sum to 100%, this is likely to be a result of a) rounding to the nearest whole percentage, b) exclusion of “don’t know” and/or blank answers from the display on the chart or c) the question allows multiple answers
- Base sizes can vary between questions as some questions were left blank by some participants (including the section on financial matters which is not asked of companies which cannot submit this type of information under Sarbanes-Oxley)

# AMEC members – business type



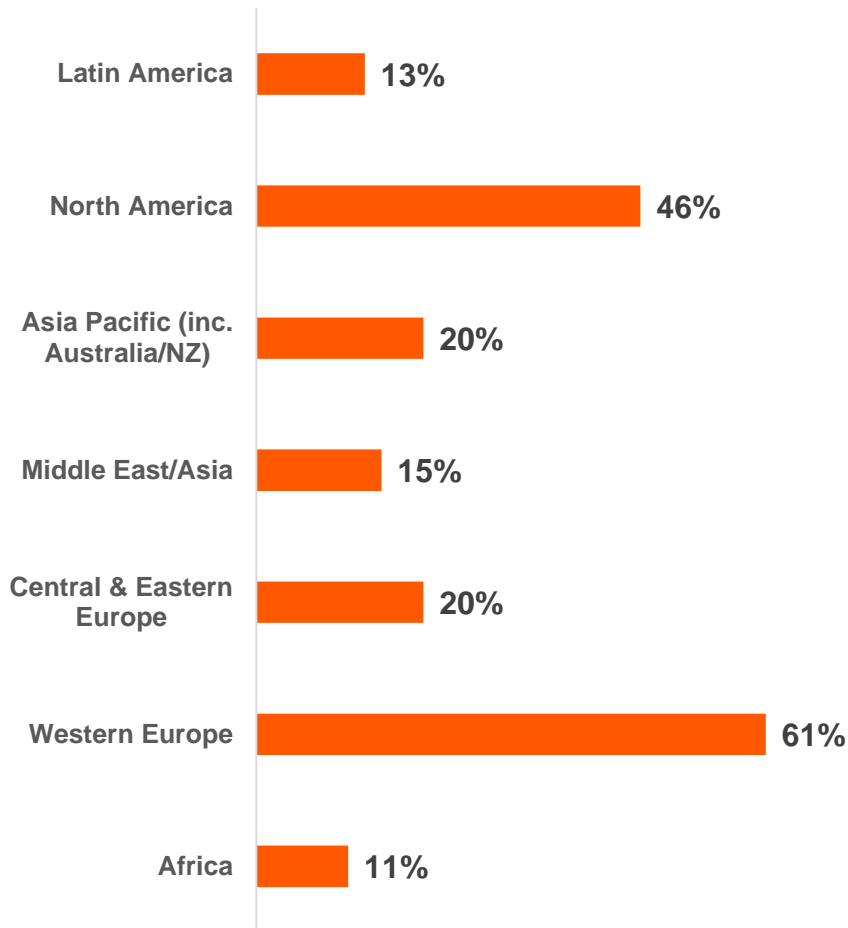
Most AMEC members taking part in the survey classify their firms as **specialist measurement and analytics** companies (62%)

A further 19% are **PR agencies**, while 7% are measurement departments based **in house**

There are 7% of survey participants in the **management consultancy, marketing/digital agency or research agency** category, while 5% are **independent consultants**

For analysis purposes, these last two categories have been merged and are treated as one group – **consultants** – in this report

# AMEC members – international scope



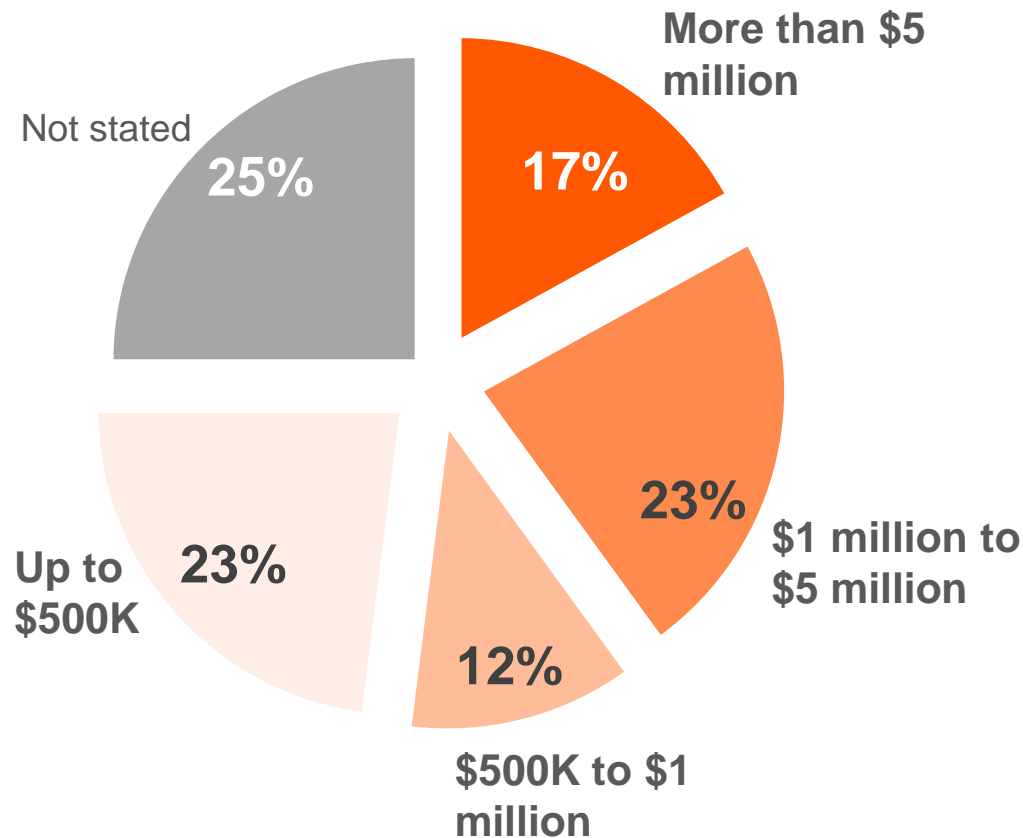
For the 2017 survey analysis we have used a new method to classify AMEC members for regional comparisons.

This year, AMEC firms are allocated to different regional groupings according to how much business they carry out. Any member carrying out at least 10% of their business in each region is allocated to the analysis group for that region.

This means that many members are allocated to more than one region, especially those with a global spread of clients. The new approach allows us to look at all the main regions separately, based on members who do a significant amount of business in each one.

The regional grouping sizes range from 11% of members who carry out 10%+ business in **Africa**, to **Western Europe**, where more than three in five (61%) members carry out more than 10% of their business.

# AMEC members – business size



A new question for 2017 asks AMEC members (excluding those based in house) to indicate which of four broad income categories their business belongs to. Members also have the opportunity to withhold this information if they wish, for example if concerned about Sarbanes-Oxley compliance.

Overall, almost a quarter (23%) have annual income of **up to \$500k**, while 12% are in the **\$500k to \$1m** category.

AMEC's larger firms are also well-represented, with 23% in the **\$1m-5m** size band and 17% of survey participants reporting annual income **in excess of \$5m**.

One in four AMEC members decline to provide a broad indication of annual income.



# How members use this report



The AMEC Global Business Insights Study report is used in a number of different ways by participating members, most notably as a window on the **latest trends in the communications measurement and evaluation industry** (84%).

Many members also use the survey findings as a **benchmark for their own operations and performance** (51%), while two in five use the survey to gain **insight on competitor activity** (41%) and/or to feed into their own **planning for new services** (40%). A third (33%) use the survey for **business planning** generally.

# Executive summary

# Summary – key findings (1)

## The measurement, research and evaluation industry continues to grow at pace

- Three in four AMEC members report growth in 2016-17, with most experiencing an increase in the number of new clients and new business opportunities
- More than eight in ten expect growth to continue in 2017-18

## In response to rapid growth, the industry has to adapt to ongoing structural change

- Most members expect existing levels of industry consolidation to continue into the future
- Investment priorities reflect the importance of staying up-to-date with evolving data capture technology and data sourcing opportunities
- Demand for more international coverage is forcing members to develop a presence in more markets
- Members also see the PR industry rethinking basic norms in response to rapid change in technology

## Client expectations are also evolving in response to broader changes in the way we communicate

- While demand for measurement of online, social, owned and paid media continues to grow, demand for measurement of print media is in steady decline

## Clients are increasingly turning away from standalone metrics, demanding greater focus on value added insights

- Expectations of the measurement process are becoming more stringent, with more clients asking for transparent approaches, pre-determined goals and measurement of target audience changes
- Members continue to report increasing recognition of the importance of measurement among PR clients

# Summary – key findings (2)

## **AMEC members are responding to client demand with greater investment in innovation**

- In addition to new technology, members are investing in solutions that feature insights, research and high-end consultancy

## **The debate around “fake news” is having an impact on many AMEC members**

- Two in five have felt the need to change processes to guard against this, while a third have found clients raising fake news as a concern they are expected to address

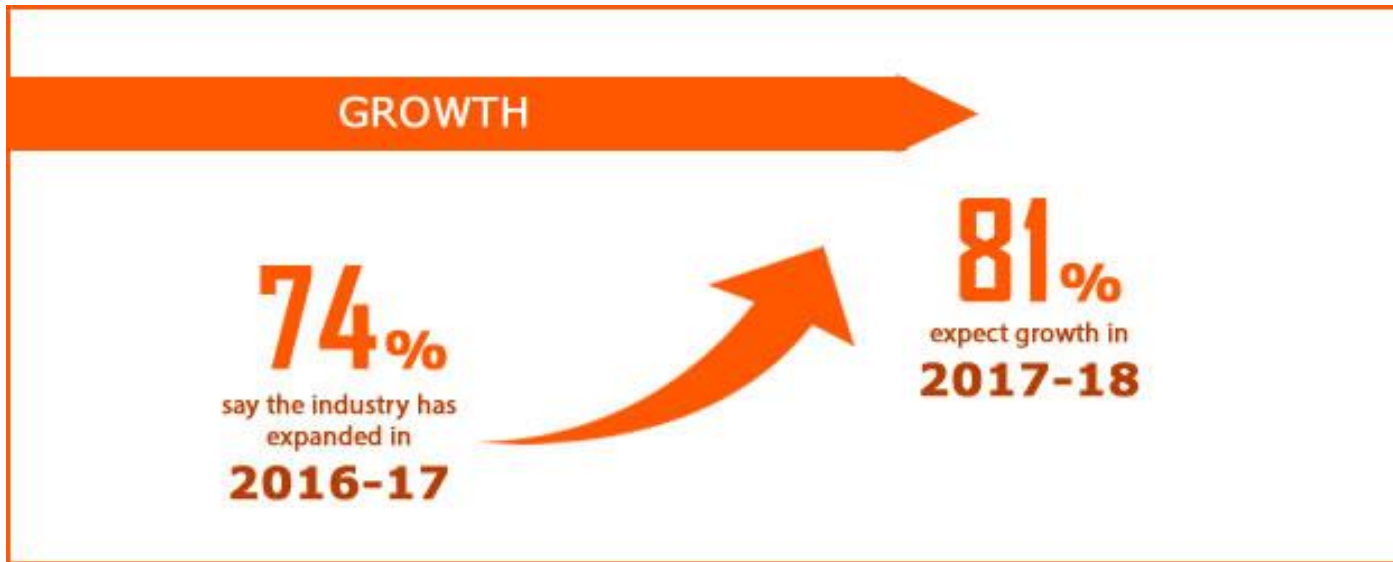
## **AMEC’s Integrated Evaluation Framework has had a major impact**

- Almost three-quarters are either already using it in client work or plan to do so in future
- Members value the Framework as a means to open up conversations with clients, and also feel it lends reassurance to clients as an industry-wide authoritative standard

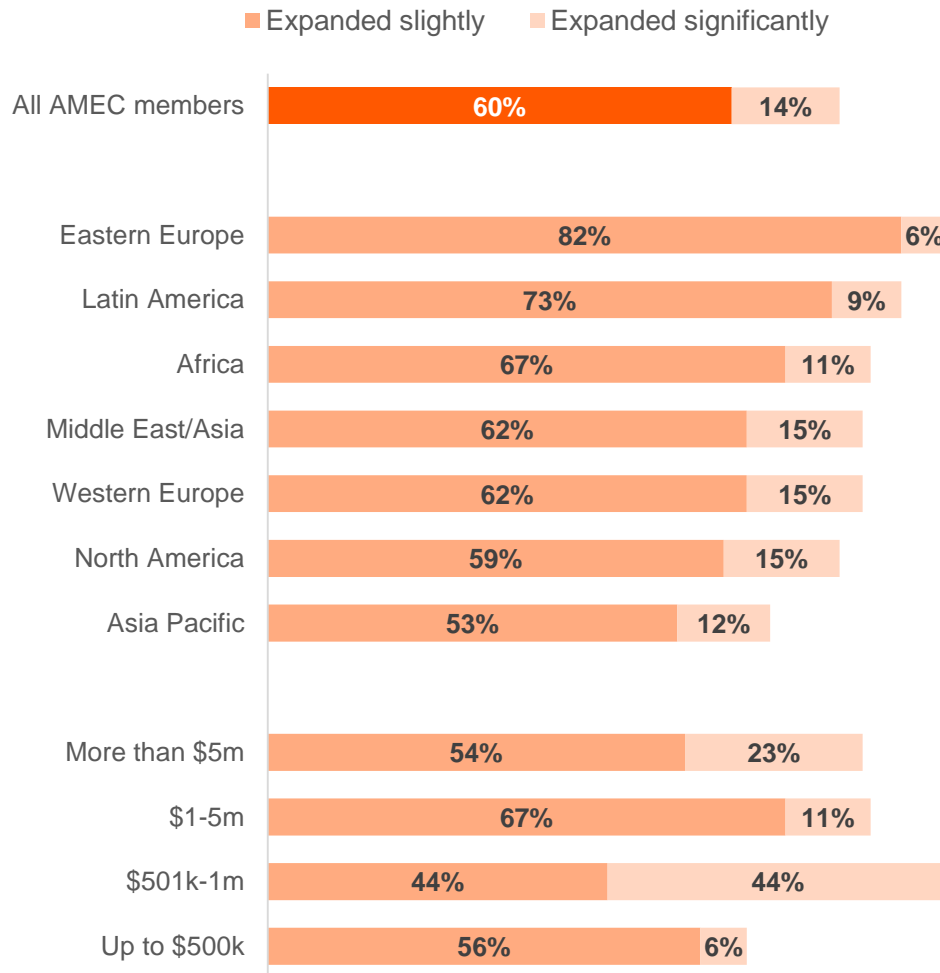
## **Members expect AMEC to continue to work as a prominent advocate for measurement, evaluation and insight**

- AMEC should prioritise educating the PR marketplace about the value of measurement and maintaining the profile of the new Framework which stresses the importance of measurement
- Most feel it is important for AMEC to provide industry standard training through AMEC College and Certification
- Partnership working is becoming increasingly important for members seeking to compete for new business, and AMEC has a key role to play in facilitating this kind of industry partnering

# Industry growth



# Overall industry growth



Most AMEC members say **the industry has expanded in the past 12 months**, with 60% seeing a slight expansion and 14% a significant expansion.

By contrast, just 4% say they have witnessed a slight decline in the size of the industry and 19% say it has stayed broadly the same.

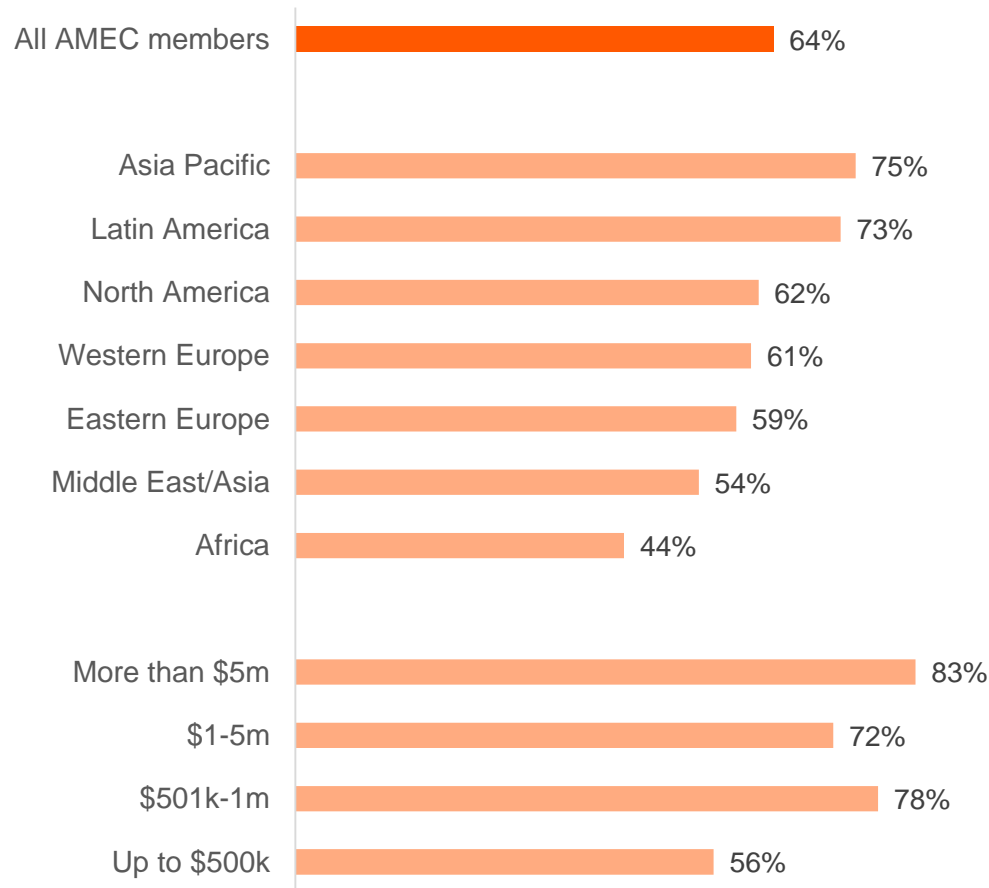
Members operating in Eastern Europe and Latin America are most likely to have noted industry expansion.

Industry growth has had a particularly notable impact on members in the \$501k-\$1m category, where 44% say they have seen a significant level of expansion.

# Revenue growth over time

## My business is seeing stronger revenue growth from measurement and insight than last year

(% = agree slightly + strongly)



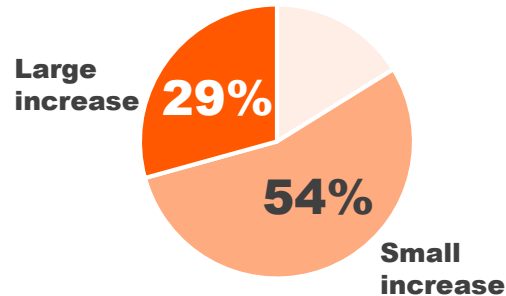
Overall, 64% of members agree that **revenue growth is stronger now than was the case 12 months ago**, while just 8% disagree.

Members operating in Asia Pacific and Latin America are most positive about the year-on-year improvement in revenue growth, and sentiment is above average in the three largest revenue categories, rising to 83% among those with annual income in excess of \$5m.

Members are slightly more bullish about revenue growth this year (64%) than in 2016 (54%), although less so than in 2015 (74%).

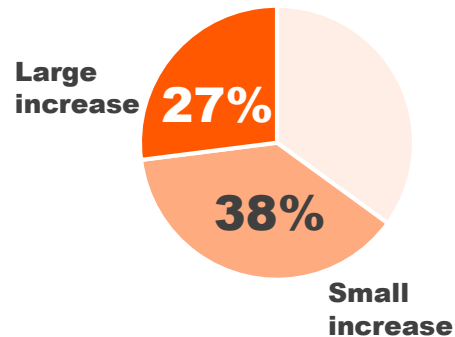
# Growth trends

## Number of new clients



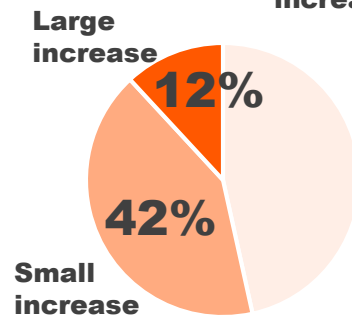
The widely-shared experience of revenue growth reported on the previous slide is reflected in growing numbers of new clients and RFP opportunities for the majority of members.

## Overall number of RFPs/ tenders



More than eight in ten members have seen **an increase in the number of new clients this year**, with 29% a large increase and 54% a small increase.

## Number of international RFPs/ tenders



The **overall number of RFPs received has increased** for more than two-thirds of members, with 27% reporting a large increase and 38% a small increase.

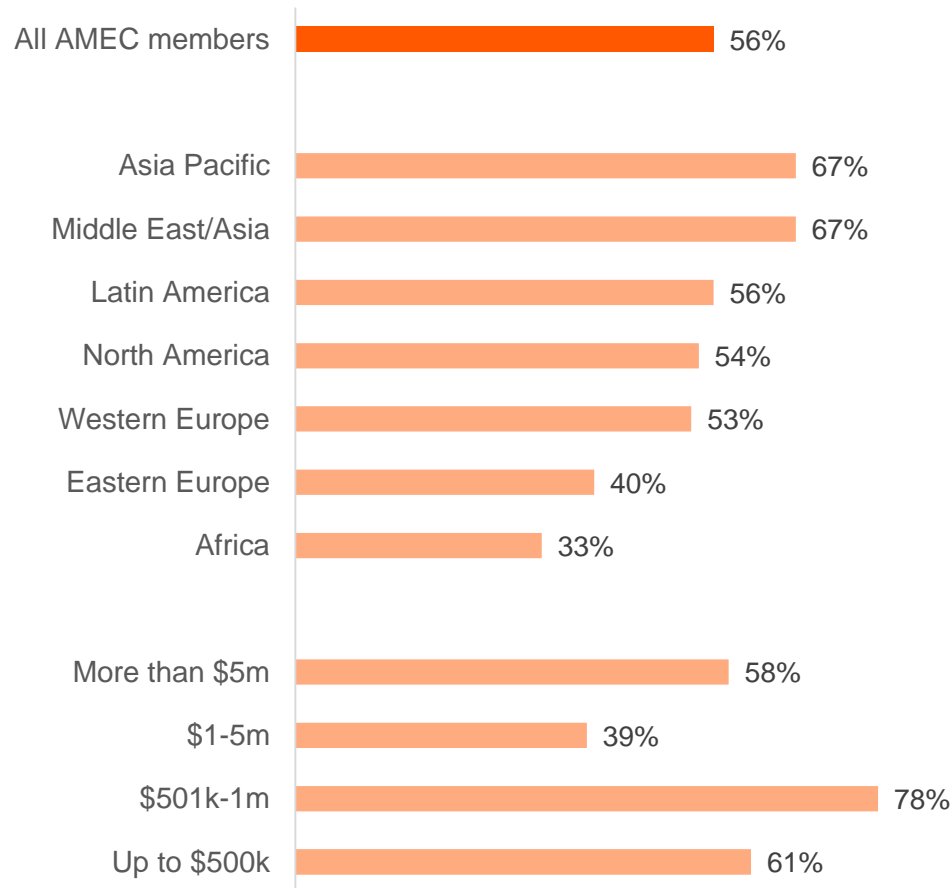
**International RFPs are also increasing in number**, with 12% reporting a large increase and 42% a small increase.



# New sales opportunities

## Clients are more active resulting in more new sales opportunities than last year

(% = agree slightly + strongly)



The evidence that the level of new business activity is increasing is backed up by responses to the statement that **clients are more active resulting in more new sales opportunities than last year** – 56% agree that this is the case, with just 8% disagreeing.

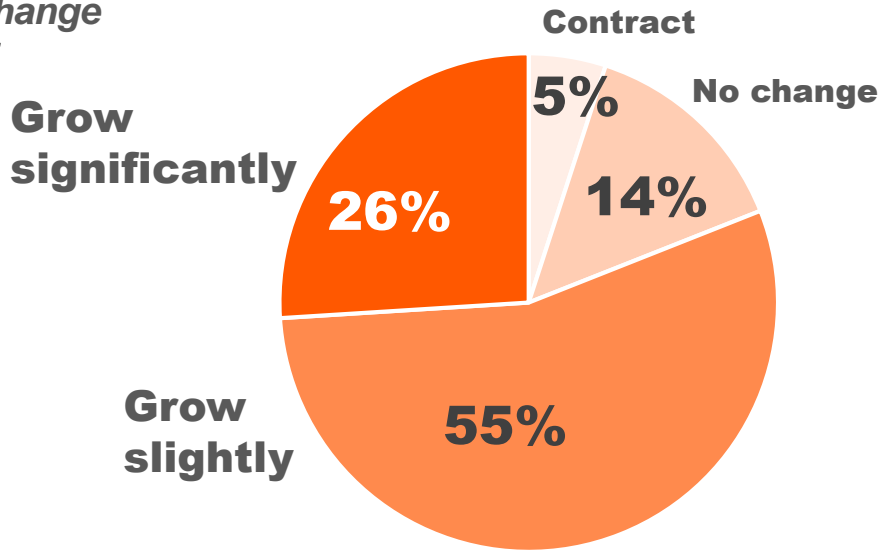
The perception of greater client activity is most pronounced for members working in the Asia Pacific and Middle East/Asia regions, while members are less likely to have spotted this trend where they operate in Africa and/or Eastern Europe.

Members in the two smaller size bands are most likely to have noted greater client activity in the past year, especially those with income of \$500k to \$1m.

Year-over-year, the picture on this measure is relatively stable – in 2016, 58% agreed with the statement.

# Growth expectation

Anticipated change  
in 2017

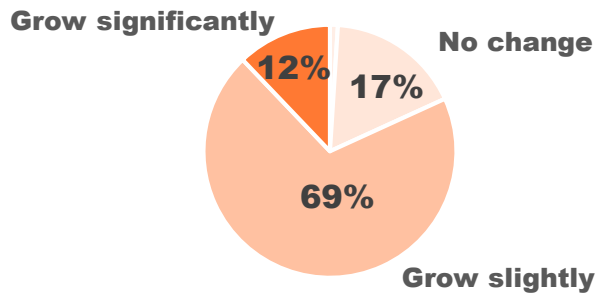


Looking forward, members expect strong growth in 2017-18, with **more than a quarter anticipating significant growth** (26%). In addition, 55% expect the industry to grow slightly, while just one in twenty (5%) forecast a decline in business levels.

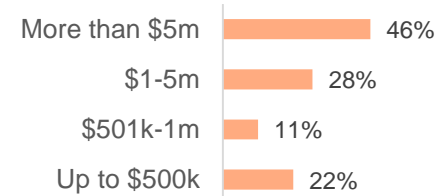
The proportion of members anticipating significant growth has more than doubled when compared with the 2016 survey when the figure stood at 12%.

The largest AMEC members are the most bullish on future growth prospects, with 46% in the \$5m+ size category anticipating significant growth in the coming year (see below).

2016

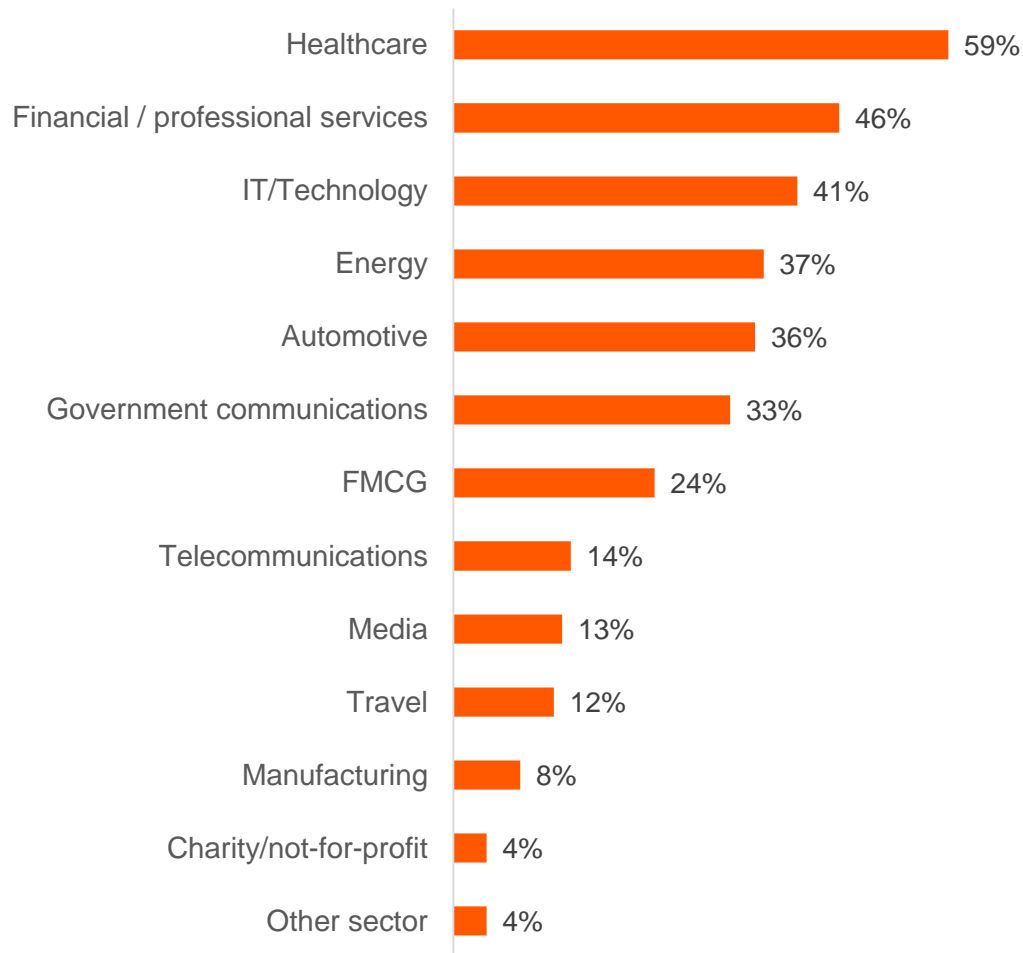


% expecting significant growth



Q How do you think the media measurement, research and intelligence industry will perform in the next 12 months?  
Base: All members

# Growth potential by sector



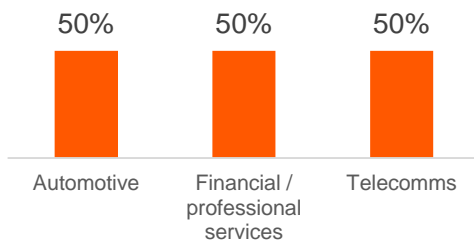
Globally, the **industry sector where members see the most potential for growth is healthcare (59%)**, followed by **financial & professional services (46%)** and **IT/technology (41%)**.

The ranking of the top three sectors is unchanged when compared with 2016, although last year **government communications** tied with IT/ technology in third place.

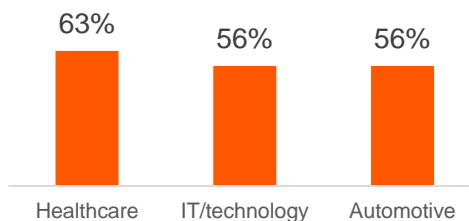
In the following chart, the top three sectors for members operating in each region are illustrated. **Healthcare** tops the list in four regions – Asia Pacific, Eastern Europe, North America and Western Europe – while **automotive** tops the list for Middle East/Asia and **financial/professional services** is top in Latin America.

# Growth sectors by region

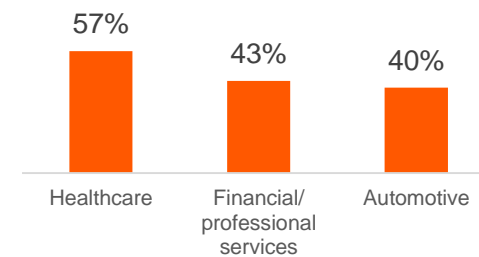
## Africa



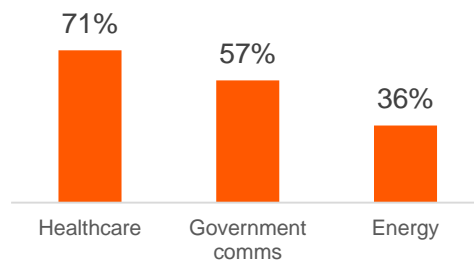
## Asia Pacific



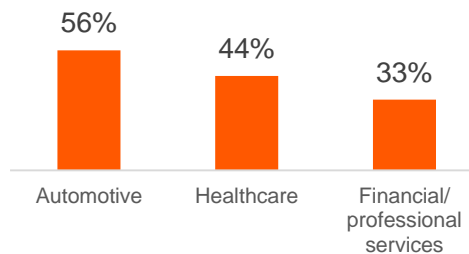
## Western Europe



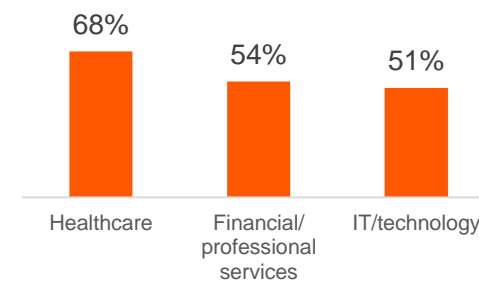
## Eastern Europe



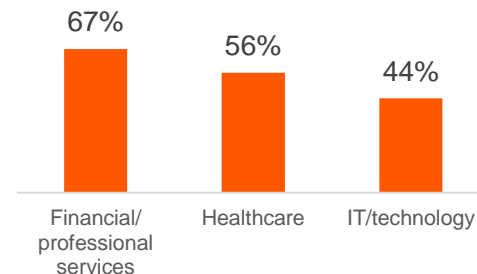
## Middle East/ Asia



## North America



## Latin America



# Industry trends

CONSOLIDATION

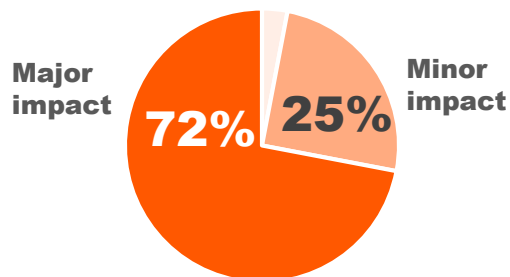


**80%**

expect industry consolidation  
to continue at its current level

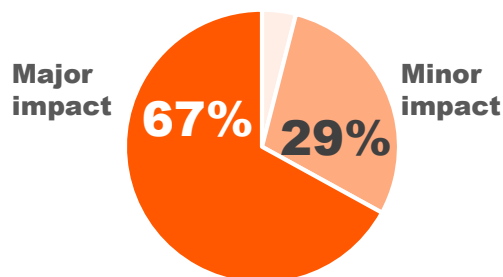
# Macro trends

*Changing usage of communications channels resulting from growth of digital media*



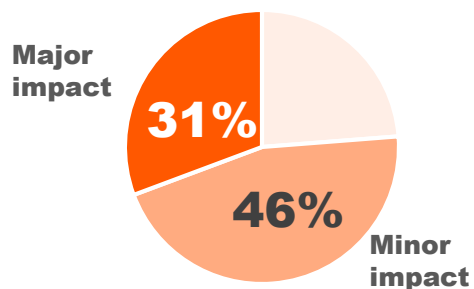
Most AMEC members (72%) say that the **changing usage of communications channels resulting from digital media** has had a major impact on their business in the past 2-3 years, with a further 25% saying this has had a minor impact.

*Technology and innovation in media intelligence*



More than two thirds (67%) have also experienced a major impact from **technology and innovation in media intelligence**, with 29% reporting a minor impact from these developments.

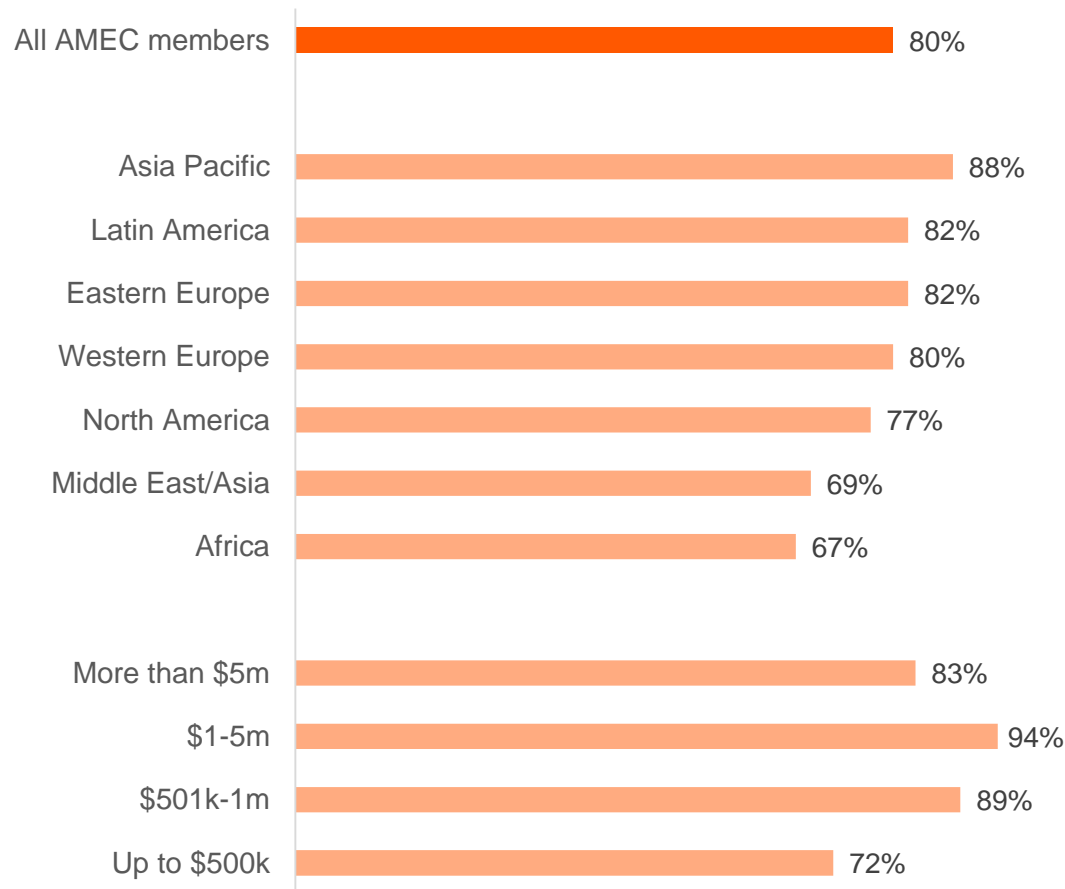
*Changes in the way the PR industry operates*



**Changes in the way the PR industry operates** has had a major impact on 31% of AMEC members in the past 2-3 years, with a further 46% reporting a minor impact.

# Industry consolidation

**I expect the level of industry consolidation we have seen in the last 2 years to continue in the future**  
 (% = agree slightly + strongly)



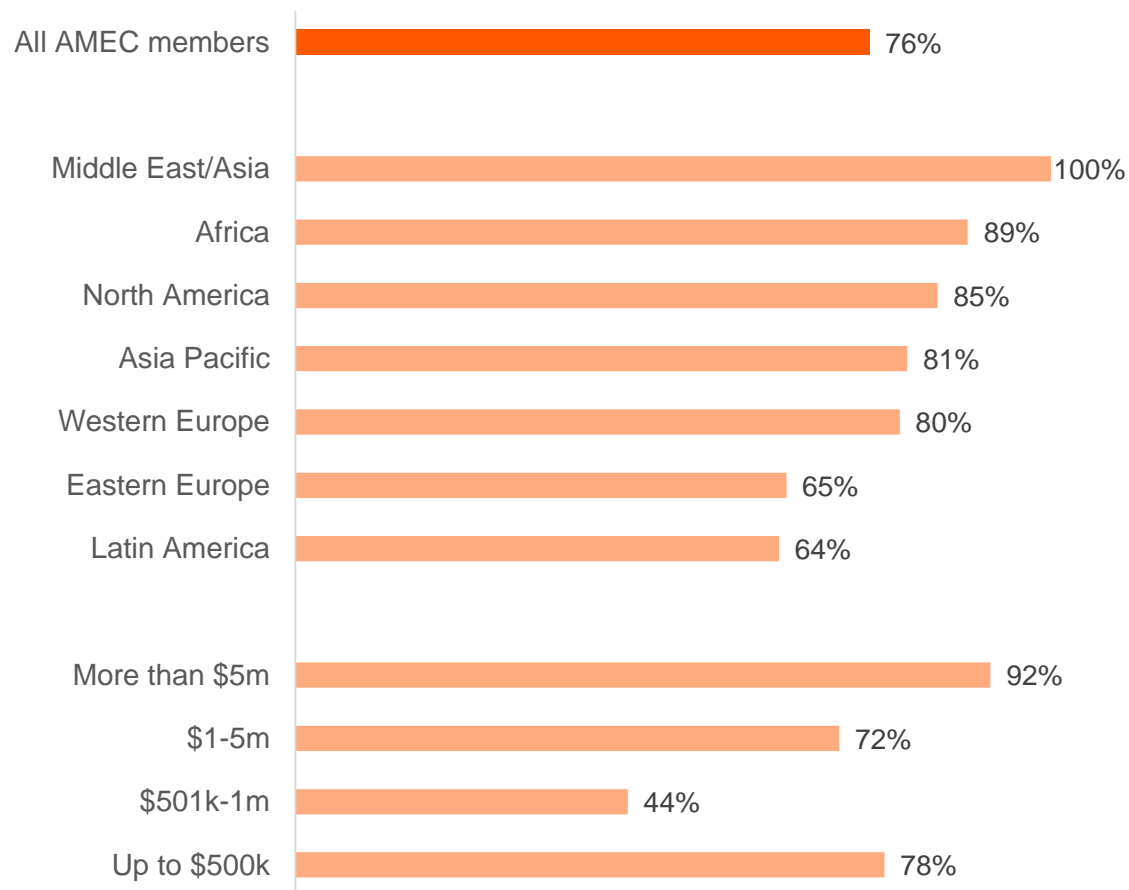
Most AMEC members expect the recent level of rapid **industry consolidation** to continue in the 2017-18 period, with four in five (80%) agreeing that this is likely.

The majority in all region and business size categories expect the current levels of consolidation to continue, with particularly strong sentiment expressed by members operating in the Asia Pacific region and the \$1m-\$5m size category.

Members have grown increasingly used to industry consolidation in recent years, with the proportion agreeing to this statement up from 64% in 2015 and 76% last year.

# Insights, not metrics

**I am seeing a trend by clients/ stakeholders to put increasing emphasis on insights and less emphasis on standalone metrics** (% = agree slightly + strongly)



More than three in four AMEC members (76%) agree that clients are now putting **increasing emphasis on insights rather than standalone metrics**. This industry trend is becoming more pronounced over time: 65% agreed in 2015 and 72% in 2016.

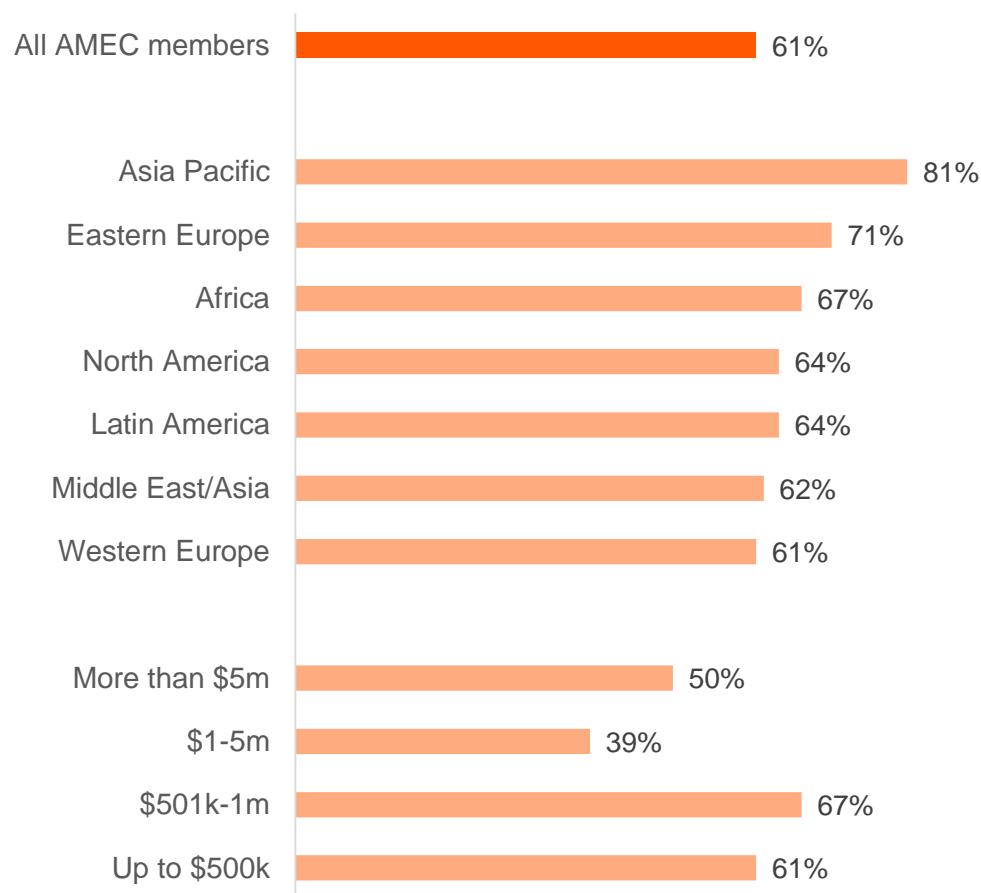
The trend away from standalone metrics towards insight is most likely to have been noticed by members operating in the Middle East/Asia, Africa and North America, while it is slightly less apparent for those carrying out business in Eastern Europe and/or Latin America.

The largest AMEC members are most likely to be reporting the trend towards more insight and away from standalone metrics, while the trend is least apparent for those working in \$501k to \$1m income businesses.



# Financial ROI

**Clients/stakeholders are increasingly likely to ask for a defined financial ROI to demonstrate the business benefit of communications** (% = agree slightly + strongly)



Three in five AMEC members (61%) agree that clients are increasingly **asking for a defined financial ROI to demonstrate the business benefit of communications**, although a minority of 13% are not seeing this trend.

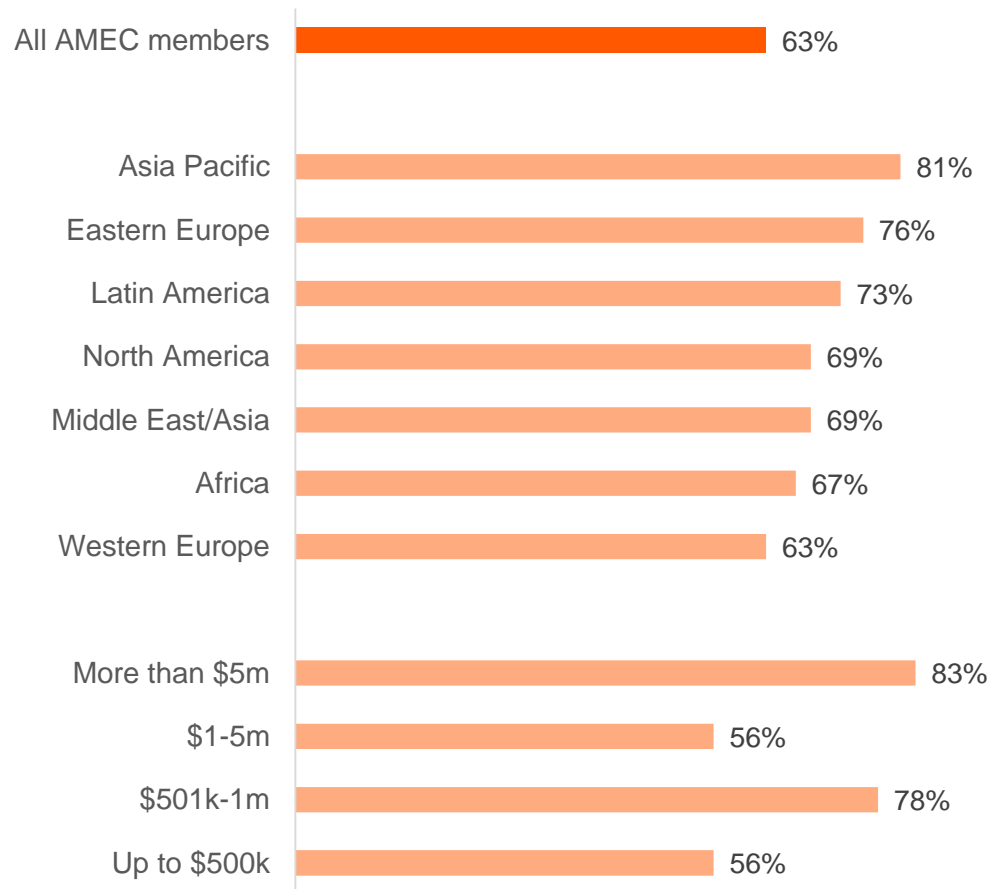
Members operating in Asia Pacific are most likely to identify this trend at this point in time, when compared with members operating in other regions.

Those in the two smaller size categories are more likely to view increasing demand for a defined ROI as a current trend than larger AMEC members.

Year-over-year, members report little change on this measure (62% in 2016).

# International

**My business is seeing greater demand for international measurement and insight services than last year** (% = agree slightly + strongly)



Another area of operations where the majority of AMEC members are seeing increased demand is **international measurement and insight services**. More than three in five (63%) agree that demand for this kind of business is growing compared to just 11% who have not seen this.

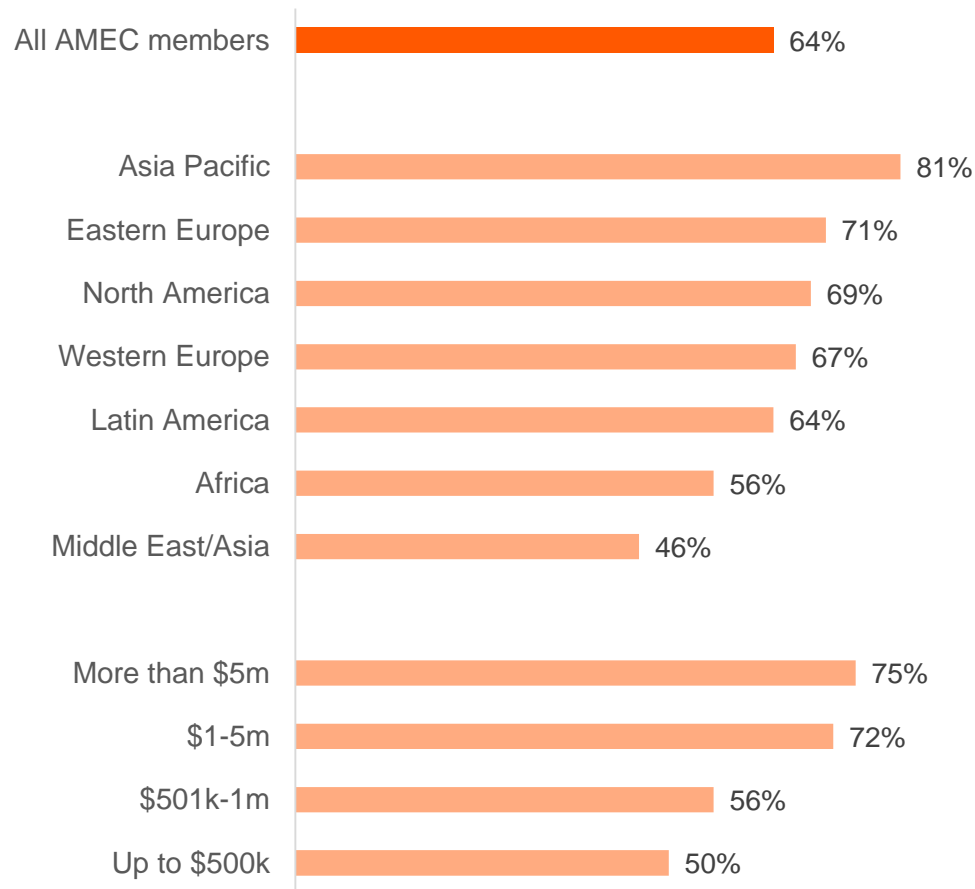
Increasing demand for greater international scope is most apparent to members operating in Asia Pacific and Eastern Europe.

AMEC members in the largest size band are most likely to be seeing increasing demand for international services.

# Competition

## There is more competition for business now than last year

(% = agree slightly + strongly)



Almost two-thirds of AMEC members (64%) are seeing **more competition for business now than last year**. The proportion agreeing with this statement has remained steady for three consecutive years, having stood at 63% in 2015 and 66% last year.

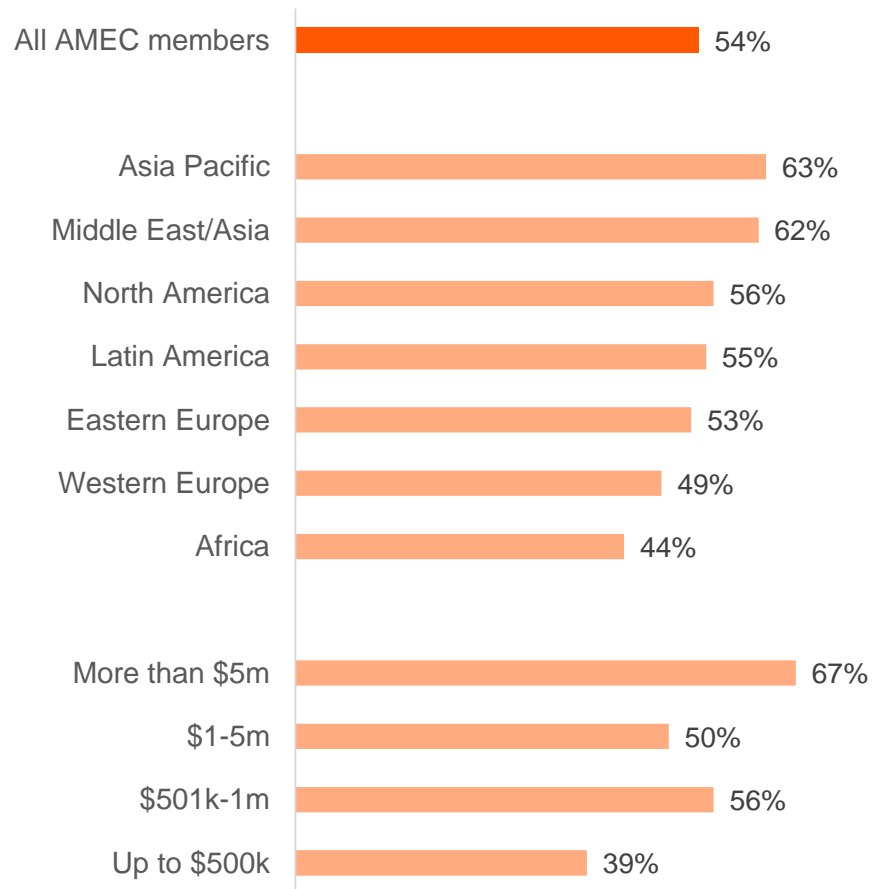
Members operating in Asia Pacific are most likely to feel that the market is now more competitive, while the sentiment is less common amongst AMEC firms working in Africa and the Middle East/Asia.

Increasing levels of competition are a greater feature of the market for firms in the two larger size categories than for those with income of \$1m or less.

# Pressure on pricing

## My business is coming under increasing pressure to reduce prices

(% = agree slightly + strongly)



Slightly more than half of AMEC members (54%) report coming under **increasing pressure to reduce prices** this year, compared with 50% in 2016.

Members working in Asia Pacific and the Middle East/Asia region are most likely to be feeling this pressure, as are members in the \$5 million and above business size category.

# PR

PUBLIC RELATIONS

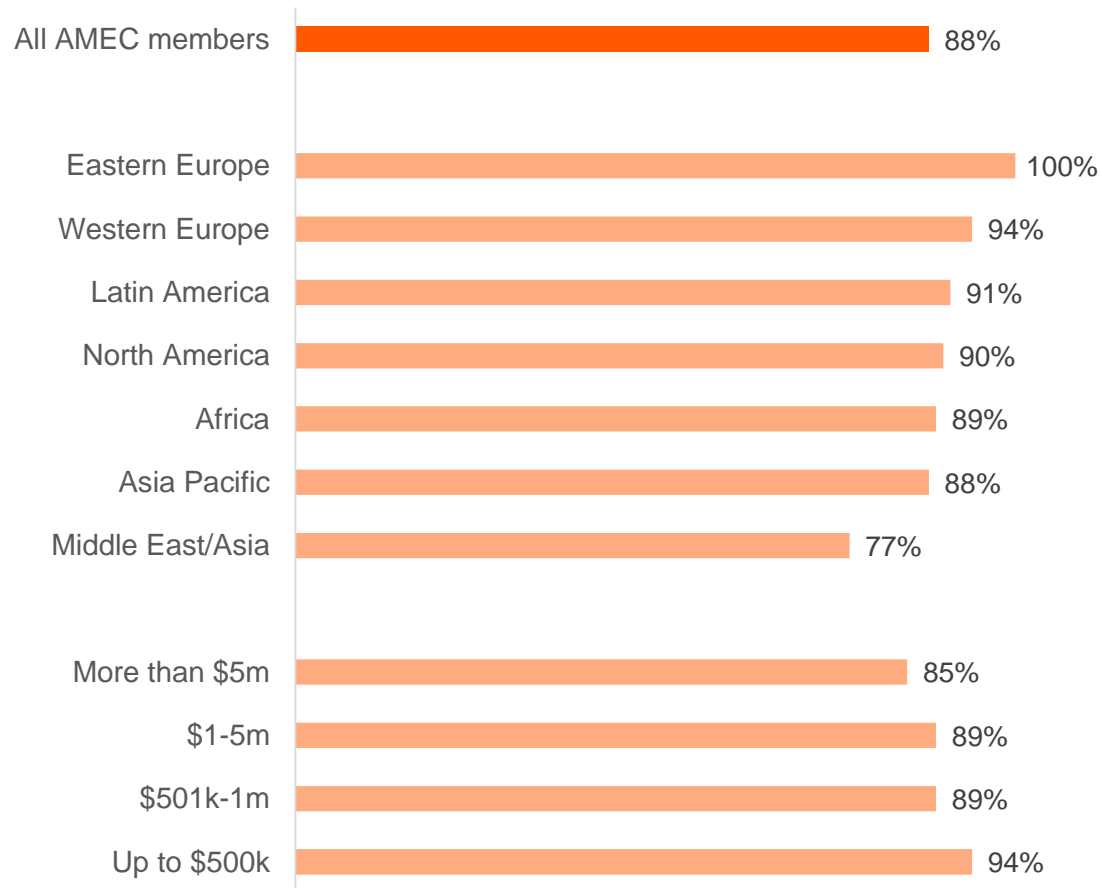


**78%**

say that more PR consultancies than ever before now recognise the importance of measurement and analysis

# Change in the PR industry

**Globally, PR is being challenged to rethink many of the basic norms on which it has always operated, largely because of constant and rapid change in technology** (% = agree slightly + strongly)



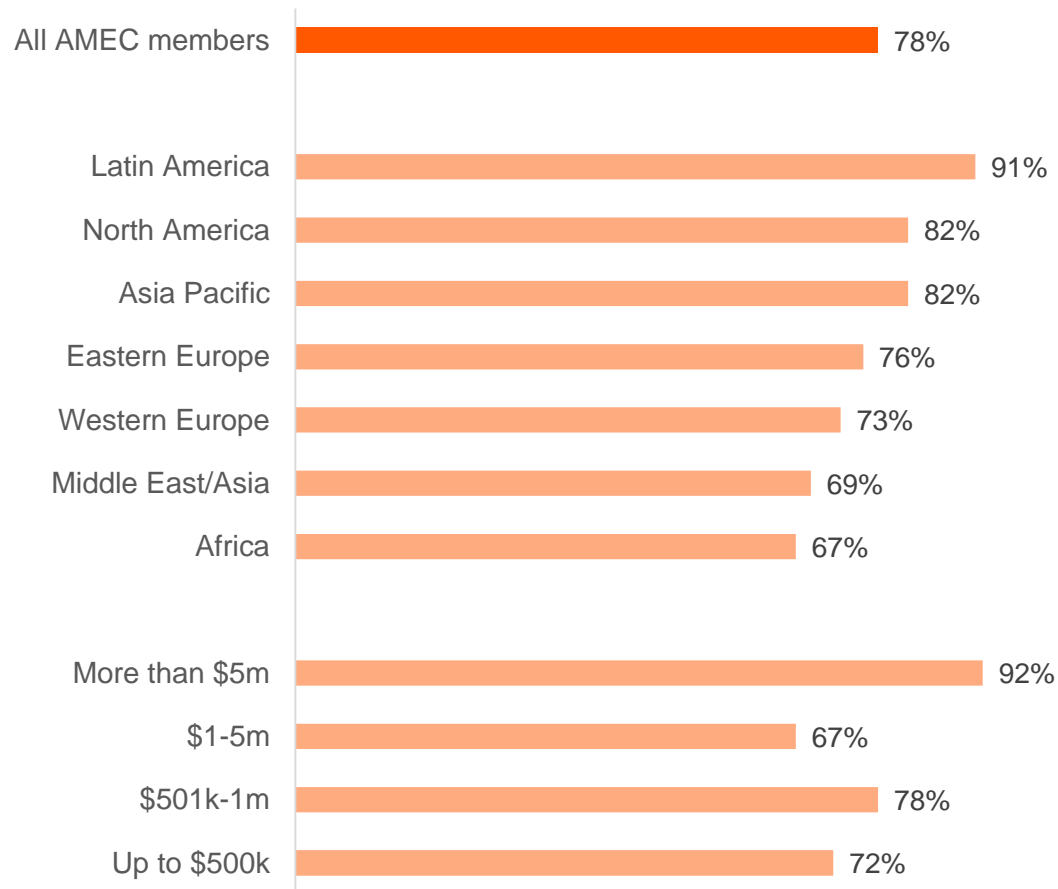
The vast majority (88%) of AMEC members agree that **PR is being challenged to rethink many basic norms on which it has traditionally operated in order to respond to rapid ongoing technological change**. Across the total sample of AMEC members, only 4% disagree with this view.

The view attracts high levels of endorsement across the board from different categories of member by regional operations and business size.

In addition, all 100% of survey participants from PR agencies agree that this is the case.

# Recognition by the PR industry

**More PR consultancies than ever before now recognise the importance of measurement / analytics**  
 (% = agree slightly + strongly)



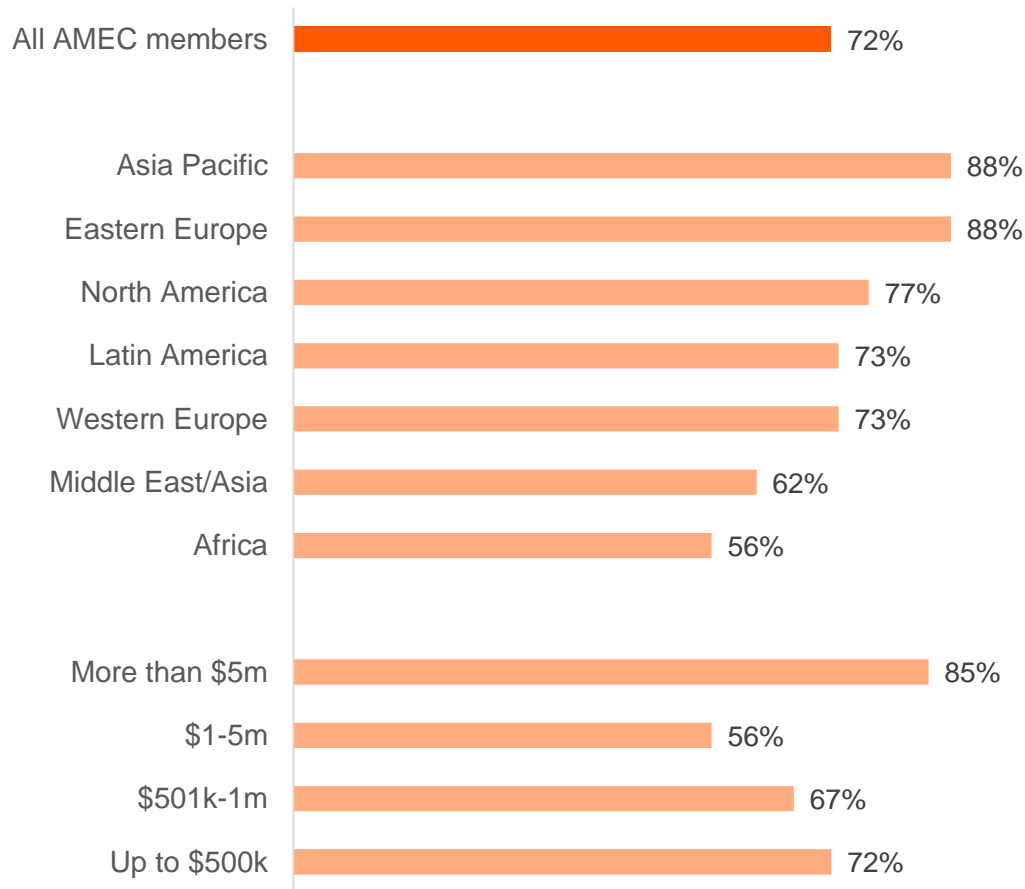
Almost eight in 10 members (78%) agree that **more PR firms than ever before are acknowledging the importance of measurement and analytics**, while just 7% disagree.

The growing importance of measurement and analytics on the PR industry agenda has been most apparent to AMEC members operating in Latin America, North America and Asia Pacific, and the view is most widely-held by larger members in the \$5m+ category.

When asked this same question in 2016, 66% of members agreed, although back in 2015 the figure stood even higher than at present (86%).

# PR and measurement - 1

**Increasingly, PR consultancies are building measurement services into their overall offer to end clients** (% = agree slightly + strongly)



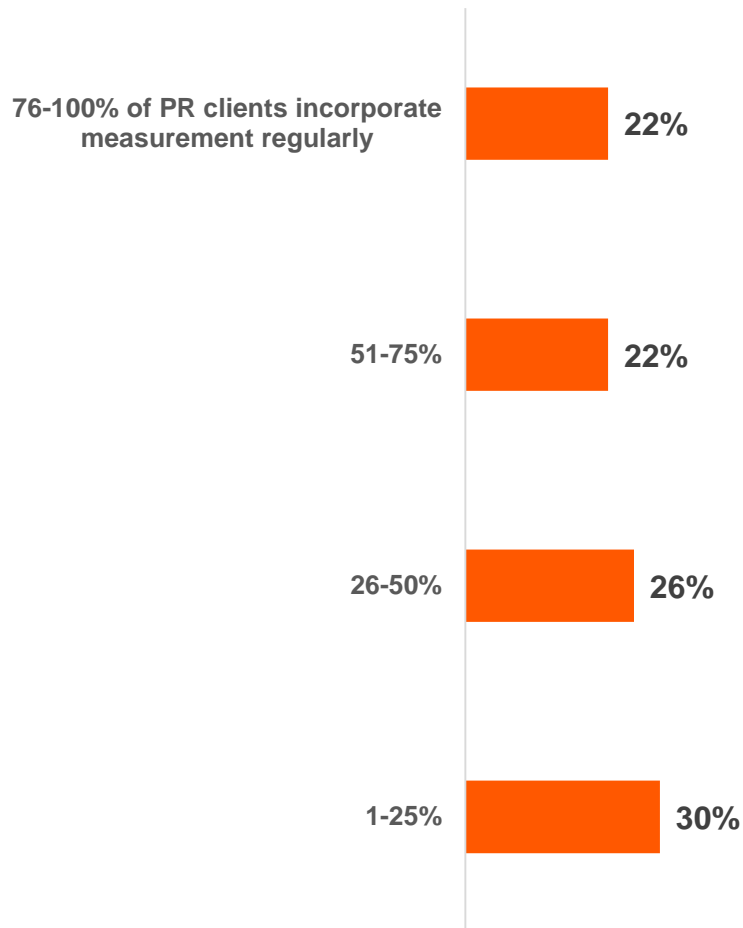
More than seven in ten members (72%) agree that the **PR industry is increasingly building measurement services into their overall end client offer**, with just 7% disagreeing.

AMEC members operating in Asia Pacific and/or Eastern Europe are most likely to agree – 88% in both cases. The sentiment is most widely-held in the largest business size category (85%).

The level of agreement in 2017 reflects an increase on 2016 (66%), but remains below the high figure of 80% reached in 2015.



# PR and measurement - 2

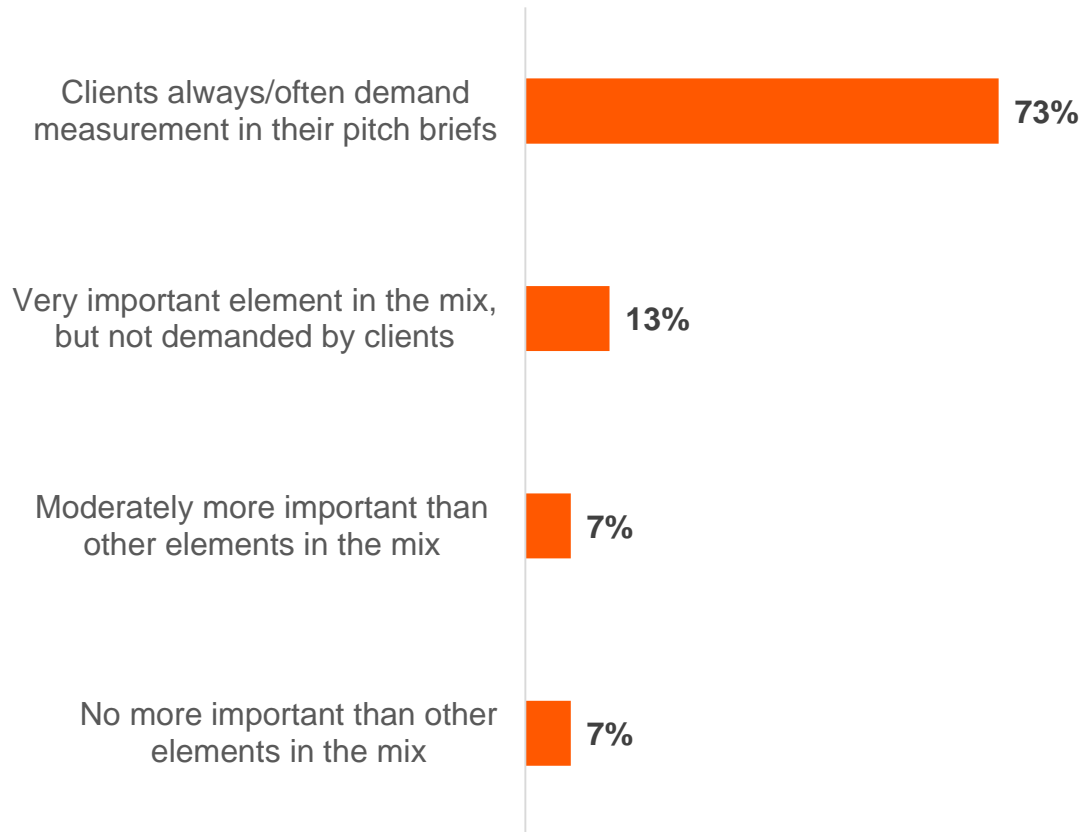


Members who specialise in measurement and analytics – for whom many clients are likely to be in the PR industry – are asked to estimate **the proportion of their PR clients who incorporate measurement into their end client offer.**

Once those saying “don’t know” are removed from the data, 22% believe that more than three quarters of their PR clients incorporate measurement into client business offer, while a further 22% believe this is the case for between half and three-quarters of their PR clients. Meanwhile, 56% think fewer than half of their PR clients incorporate measurement into their end client offer.

The question wording has changed since 2016, but findings show a similar pattern – with 44% saying more than half their PR clients incorporate measurement this year compared to 42% in 2016.

# PR members' measurement offer



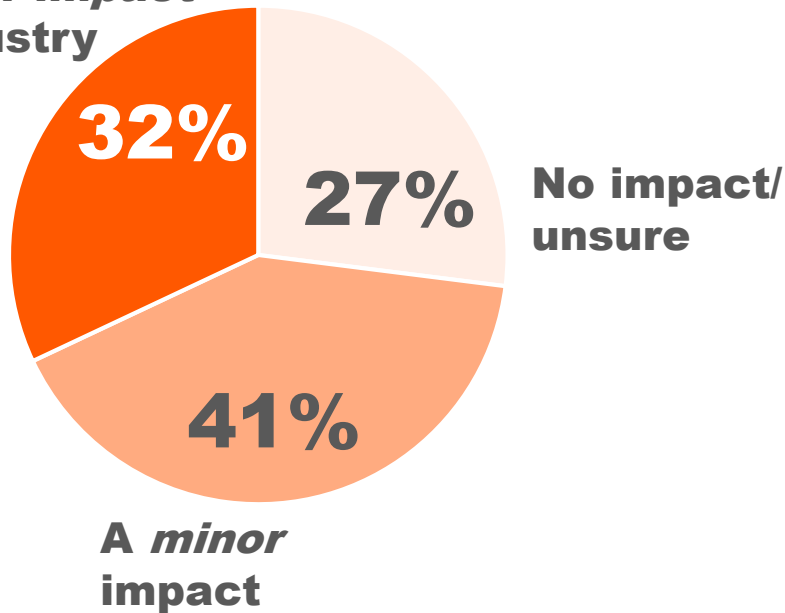
Most of AMEC's PR agency members (73%) say that **clients always/often demand measurement in their pitch briefs**, up from 53% in 2016.

# Fake news



# Impact of “fake news” on the industry

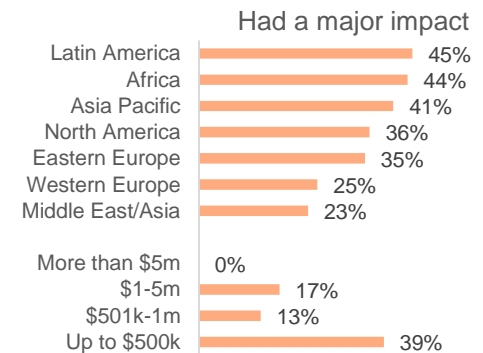
**“Fake news” has had a major impact on the industry**



One in three members feels that the whole issue of “fake news” has had a major impact on the measurement, research and intelligence industry, while a further 41% believe it has had a minor impact.

“Fake news” is seen to have had a major impact by more than one in five AMEC members operating in all global regions.

Meanwhile, members in smaller companies are more likely to report a major impact than their counterparts in other size bands, especially the \$5m+ category, where none of the survey participants has seen a major impact.

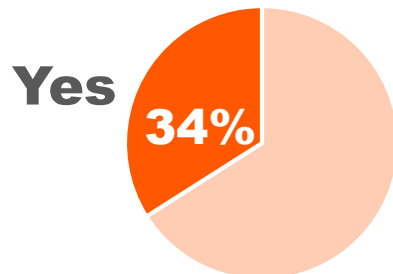


Q How much of an impact do you think fake news has had on the media measurement, research and intelligence industry?

Base: All members

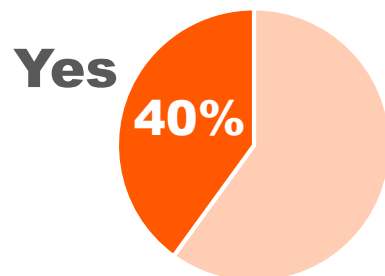
# Impact of “fake news” on AMEC members

*Clients/stakeholders have expressed concern about fake news as an issue they expect you to address*



One in three members (34%) have **clients who have expressed concern about “fake news” as an issue**. The issue is most apparent for AMEC firms operating in North America where the proportion rises to 51%, while the lowest level of client concern is reported by members operating in Asia Pacific (29%).

*Organisation has introduced additional steps/processes to help guard against the impact of fake news*



Two in five AMEC members (40%) have **introduced additional steps or processes to help guard against the impact of “fake news”**. This is most likely to have been necessary for members operating in Eastern Europe (53%) and/or North America (51%).

# Innovation

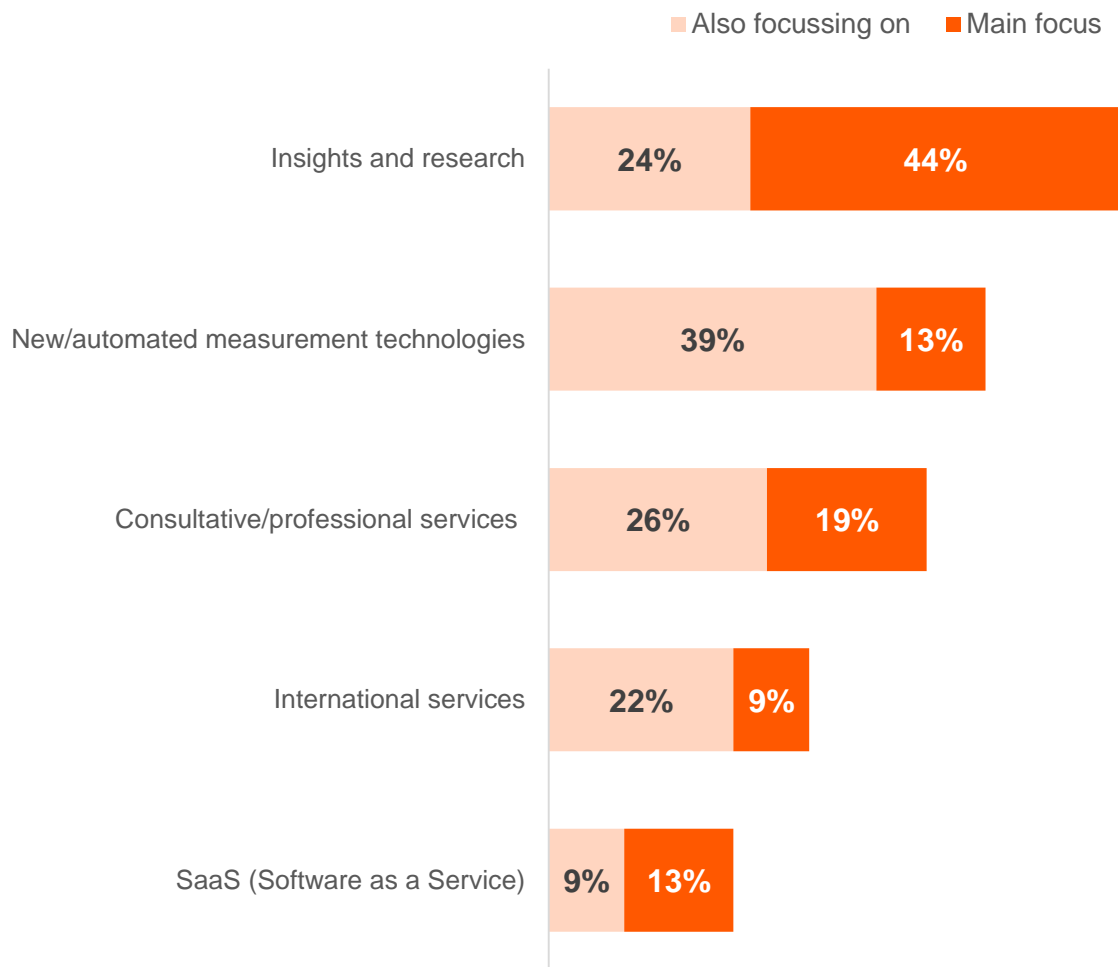
## DISRUPTION AND CHANGE

**88%**

believe PR is having to rethink many of its basic norms in response to constant/rapid technological change



# Business activities driving growth



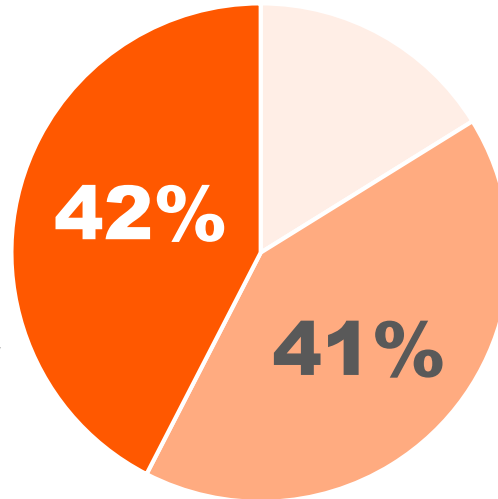
Members answered two questions about where they plan to focus their energies to drive growth in the coming year. When asked where their single main focus will lie, more than two in five (44%) said **insights and research** – a clear leader, followed at some distance by **consultative/professional services** (19%), **new/automated measurement technologies** (13%) and **SaaS** (13%).

The second question asked about other areas on the same list where members would also be focussing. Once the two are combined, 68% say they will be focussing on **insights and research**, 52% on **new/automated technologies** and 45% on **consultative/professional services**.

# Investment in innovation

Change in level of investment in innovation: 2017

**Increased significantly**



**Increased slightly**

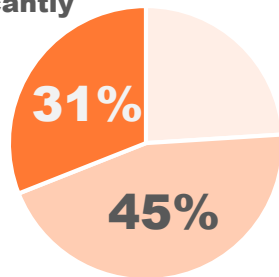
More than four in five members have **increased their investment in product and service innovation** during the past 12 months, with 42% reporting a significant increase and 41% a slight increase. Meanwhile, 15% report no change in level of investment and just 1% say investment has reduced.

The proportion of members reporting a significant increase in investment is up from 31% last year.

Members operating in Africa and Latin America are most likely to report a significant investment in innovation.

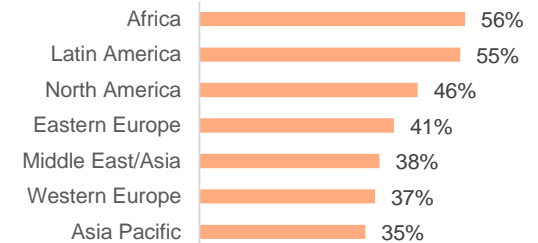
2016

**Increased significantly**



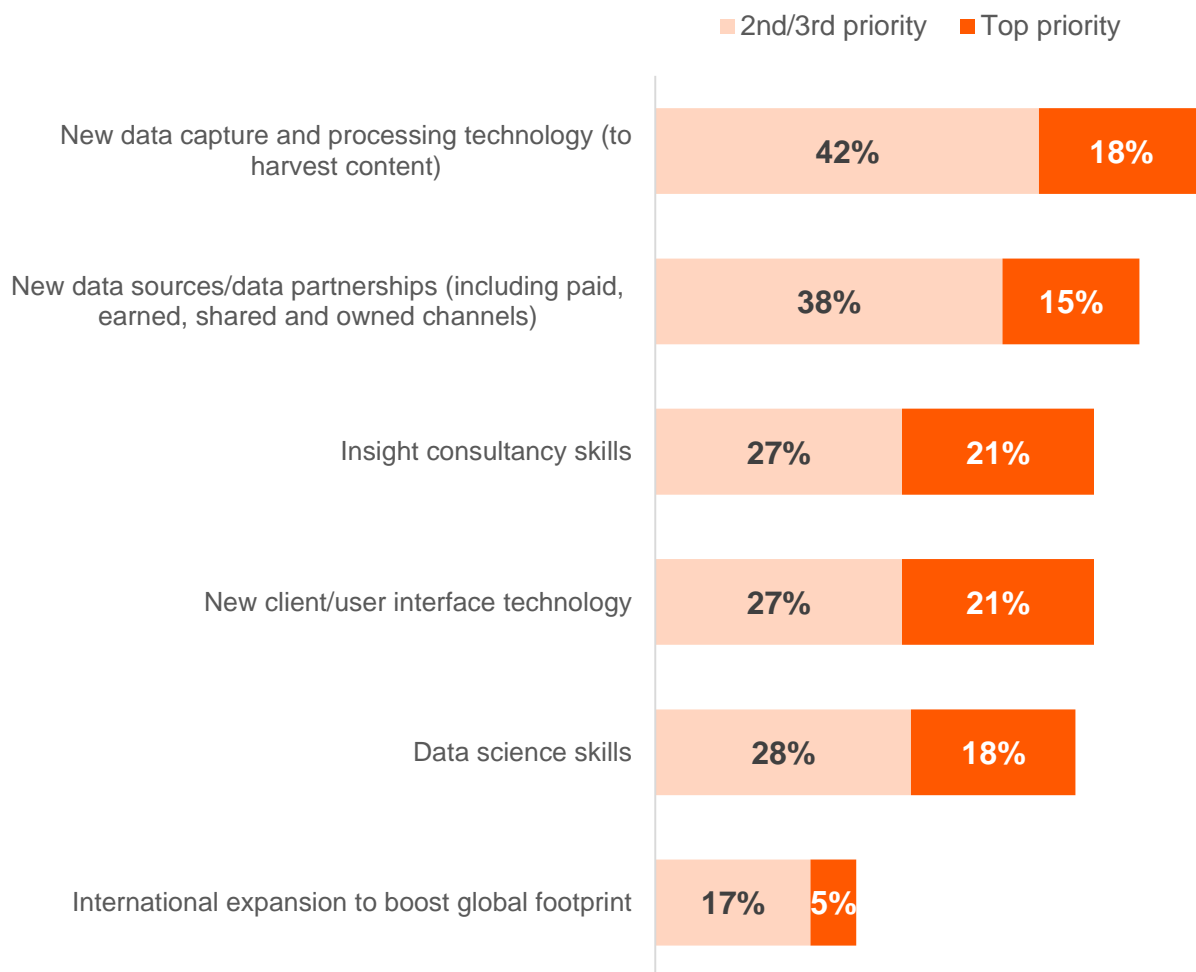
**Increased slightly**

% reporting a significant increase





# Priorities for investment in innovation



Looking forward, members report a range of top priorities for investment in product and service innovation. Investment in **insight consultancy skills** (21%) and **new client/user interface technology** (21%) are most likely to be singled out as the highest priority areas.

However, once second and third level priorities are added into the mix, the greatest overall investment priority for members in 2017-18 is expected to be in **new data capture and processing technology** (60% place this first, second or third) and **new data sources/ data partnerships** (53%). Almost half (48%) are prioritising **insight consultancy skills**, 48% will be focusing on **new client interface technology** and 46% on developing stronger **data science skills**.

Meanwhile, 22% will be prioritising **international expansion to boost their global footprint**.

# AMEC's Integrated Evaluation Framework

AMEC'S INTEGRATED EVALUATION FRAMEWORK



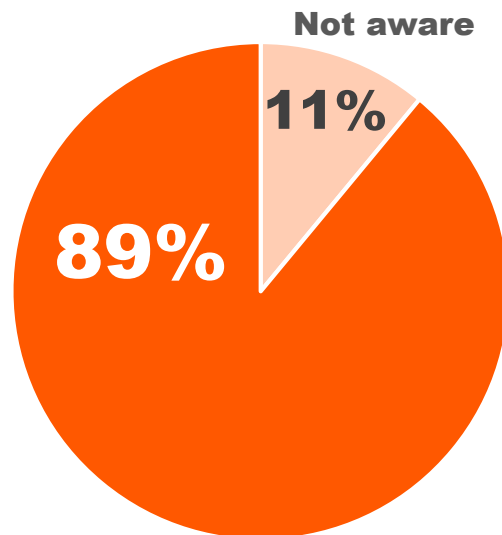
**40%**  
already using



**33%**  
planning to use

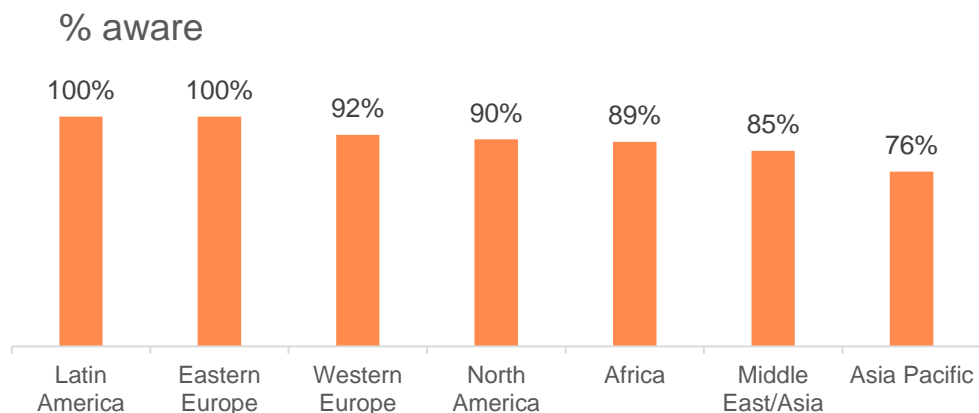
# Awareness

**Aware that Framework was launched in 2016**



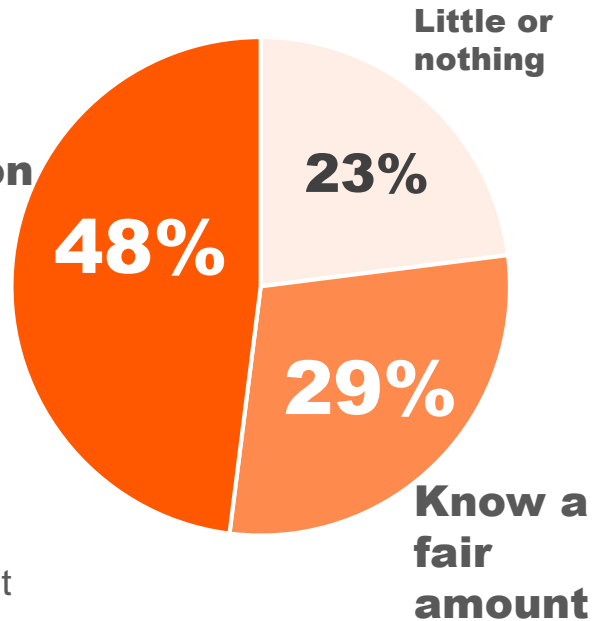
Most members (89%) are aware that AMEC launched a new **Integrated Evaluation Framework** in 2016.

Awareness of the new framework is universal amongst members operating in Latin America and/or Eastern Europe, but one in four members operating in Asia Pacific does not yet know about the framework.



# Knowledge

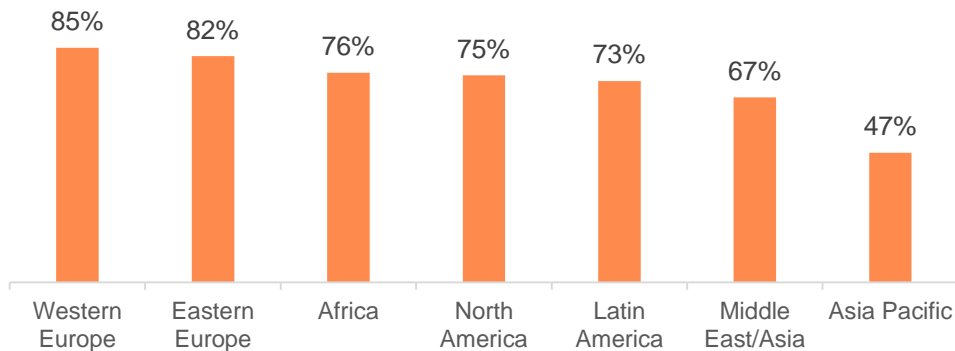
## Know a great deal about AMEC's Integrated Evaluation Framework



Almost half of AMEC members (48%) say they already **know a great deal** about the new Integrated Evaluation Framework, while a further 29% say they **know a fair amount**. However, 23% say they **know little or nothing**.

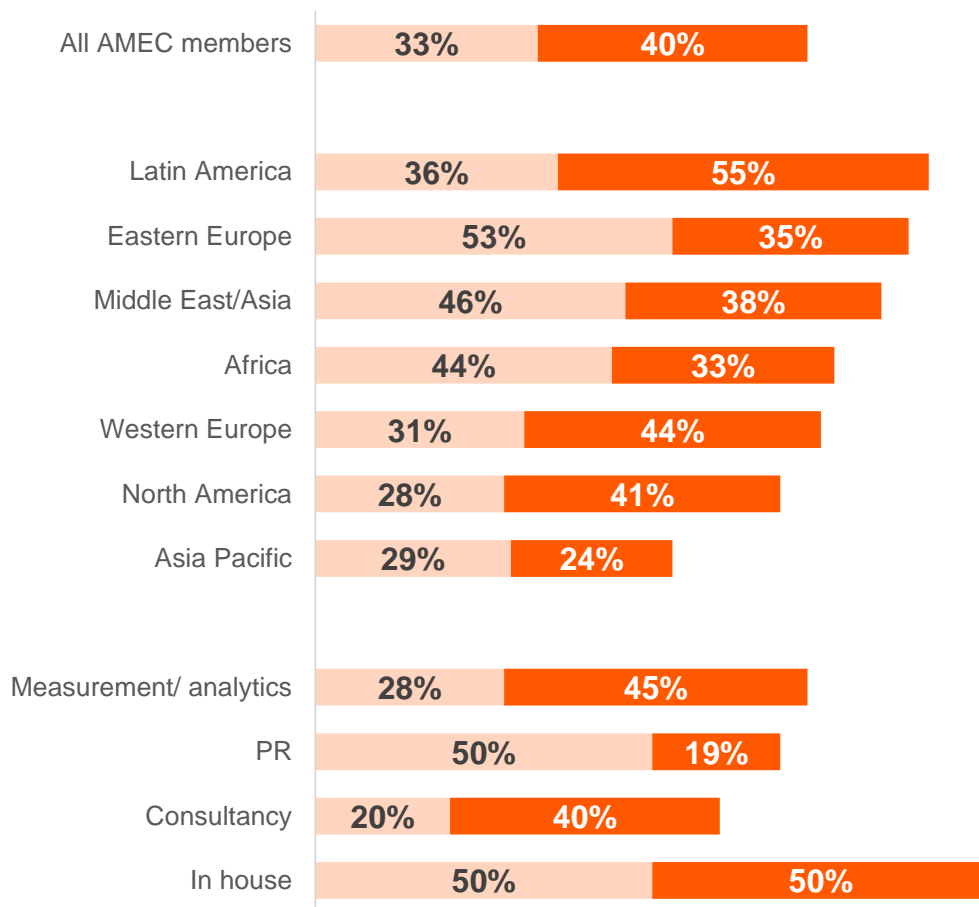
Members based in Western Europe and Eastern Europe are most likely to feel they know at least a fair amount about the Framework. Meanwhile, detailed knowledge is less widespread among members operating in Asia Pacific and Middle East/Asia.

% a great deal/fair amount



# Current and future use

■ Plan to use in future ■ Already using



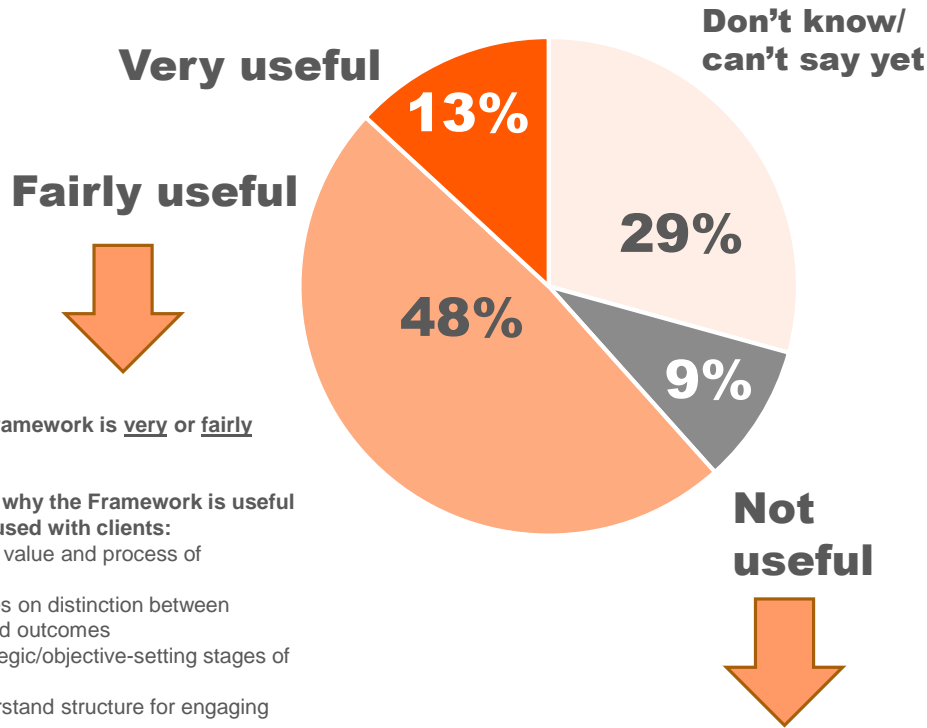
Two in five members (40%) are **already using the new Integrated Evaluation Framework in their work with clients**, with an additional 33% **planning to do so in future**.

However, 15% do not plan to use the framework at any point, while the remaining 12% do not yet know whether or not they will use it.

All AMEC members with an in house role either currently use or intend to use the framework, as do 73% of measurement and analytics specialists, 69% of PR agency members and 60% of consultants.

Regionally, the largest proportions committed to using the framework are found among members operating in Latin America and Eastern Europe.

# Overall value of the Framework



52 Members say the Framework is very or fairly useful

Most comments about why the Framework is useful focus on the way it is used with clients:

- Educating clients on value and process of measurement
- Informs and educates on distinction between outputs, outtakes and outcomes
- Helps feed into strategic/objective-setting stages of campaign planning
- Useful/easy to understand structure for engaging with/ selling to clients

The Framework is also seen to have an industry-wide authority:

- Clients perceive it as an independent, established and approved set of standards/ best practice guidelines
- It's easy to understand and communicate, applies across international markets and to clients across sectors and size bands

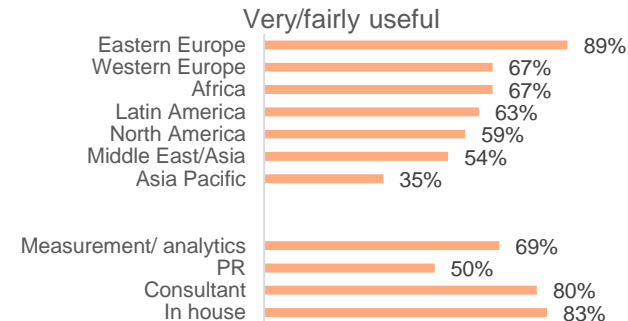
8 Members say the Framework is not useful:

- Mostly because the Framework does not fully fit with
- a) meeting specific client needs and requests
- or, b) existing methodology

Overall, 13% of members regard the Integrated Evaluation Framework as a **very useful** tool, with a further 48% finding it **fairly useful**. Three in ten (29%) say it's too early to give a view on the value of the framework, while just 9% say it is **not useful**.

Members operating in Eastern Europe are most likely to find the framework useful, while those who conduct business in Asia Pacific are least likely to regard it as useful at this point in time.

Members based in house are most positive about the Framework, while PR agency members least likely to regard it useful at this stage.



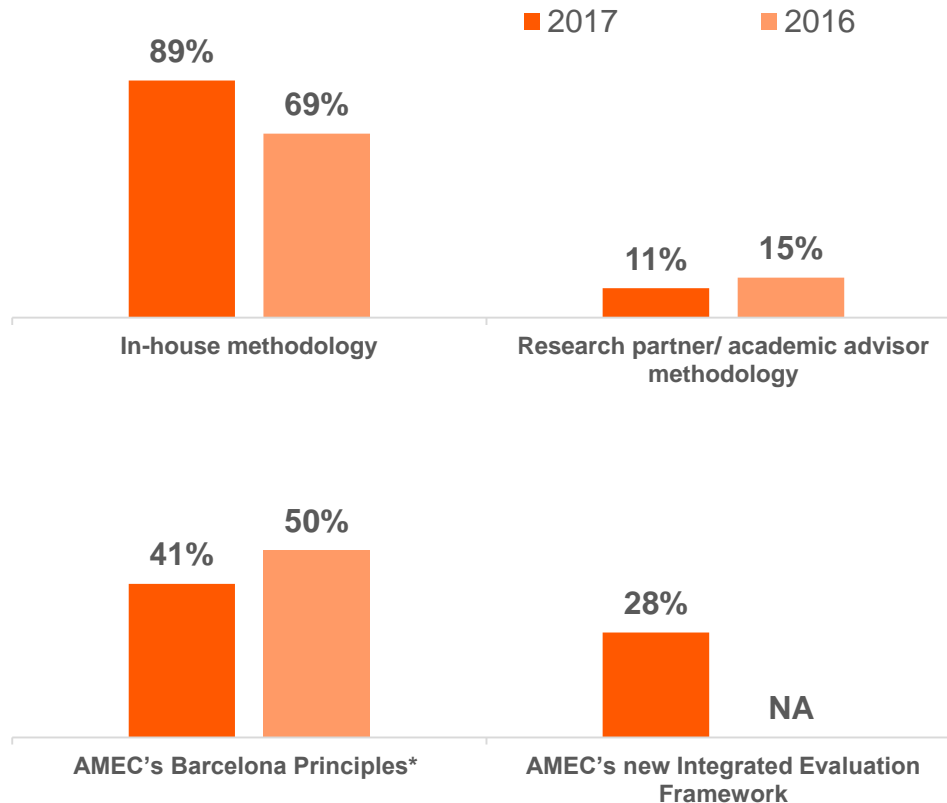
Q In what ways do you find AMEC's Integrated Evaluation Framework useful/not useful?

Base: All members

# Using best practice guidelines

# Basis for measurement offer

Based on...



When **presenting their measurement offer to clients**, 89% of AMEC members base their approach on their own **in house methodology**, up from 69% in 2016. A further 11% refer to the methodology developed by a **research partner or academic advisor**.

However, in addition to these bespoke methodologies, 41% base their approach on **AMEC's Barcelona Principles** and 28% use AMEC's new **Integrated Evaluation Framework** as a basis. This compares with 50% saying they used any AMEC methodology when the question was asked in 2016.

\*In 2016, this option was AMEC's Barcelona Principles or other AMEC framework

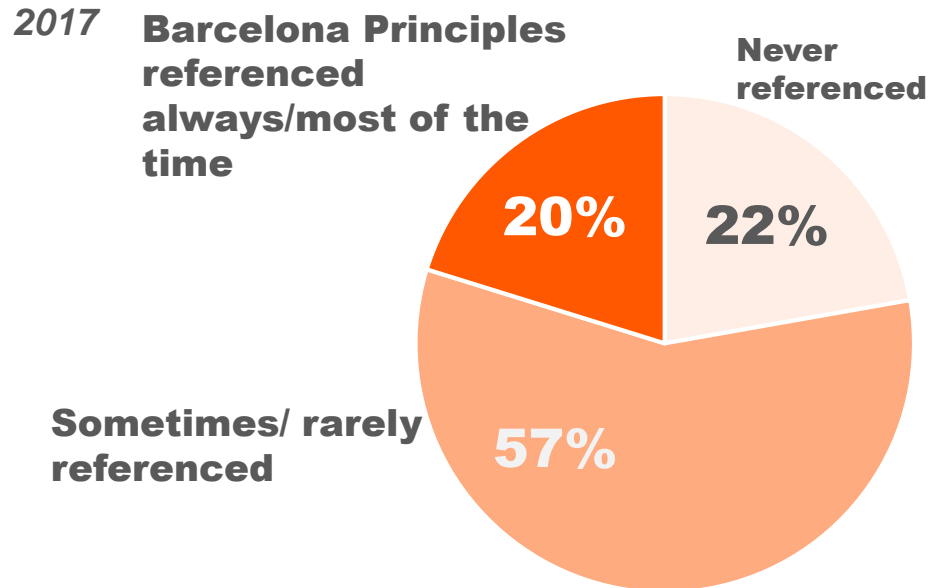
Q When presenting your measurement offer to clients, which of the following is your approach primarily based on?

(multiple choice answer)

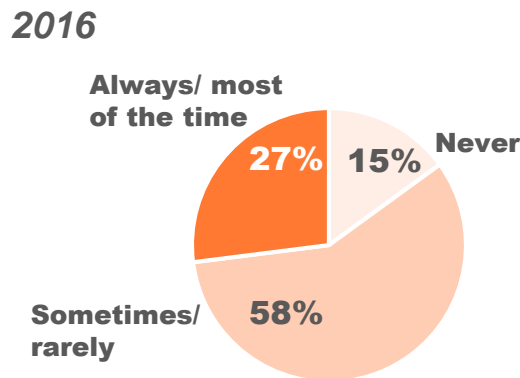
Base: All members except in house



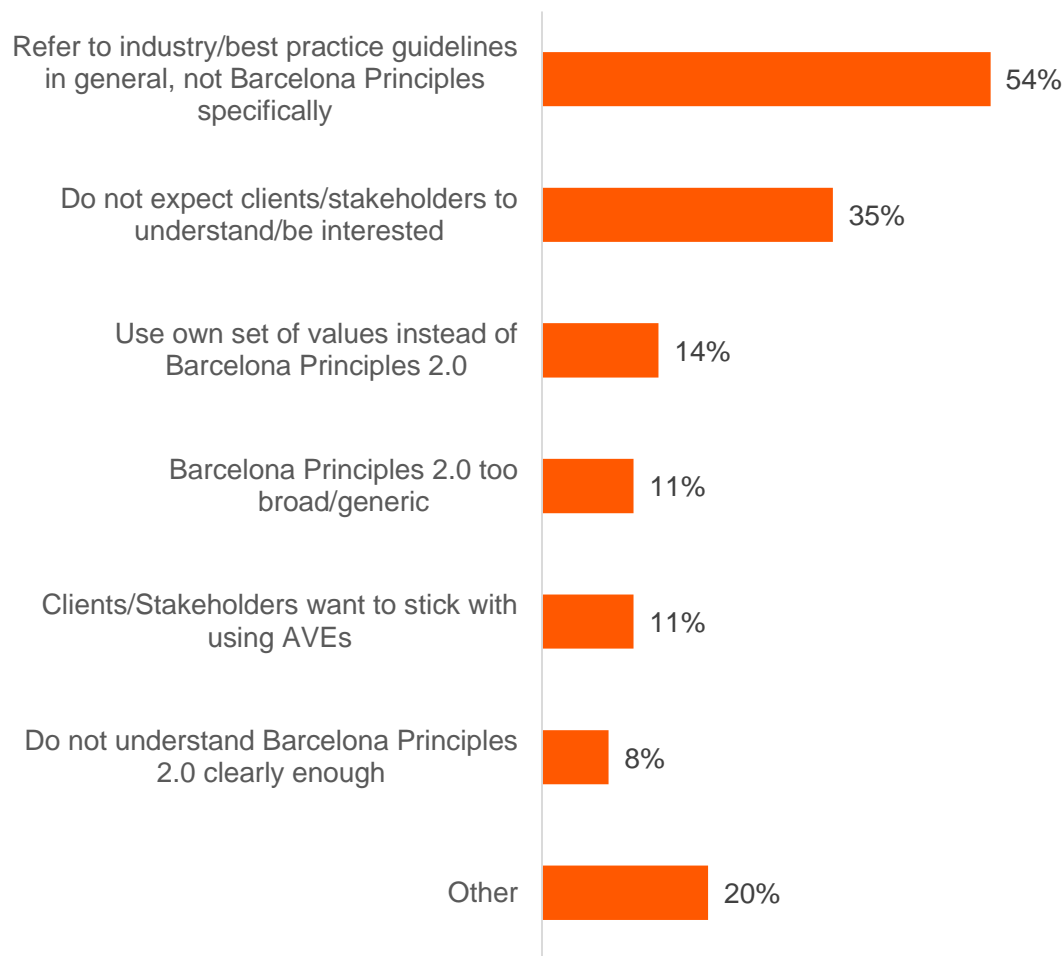
# Barcelona Principles 2.0



The frequency with which AMEC's Barcelona Principles are referenced in new business discussions, RFPs and tenders is slightly lower this year, with 20% saying there is a reference to the Barcelona Principles always/most of the time, compared with 27% last year.



# Reasons why BPs not referenced

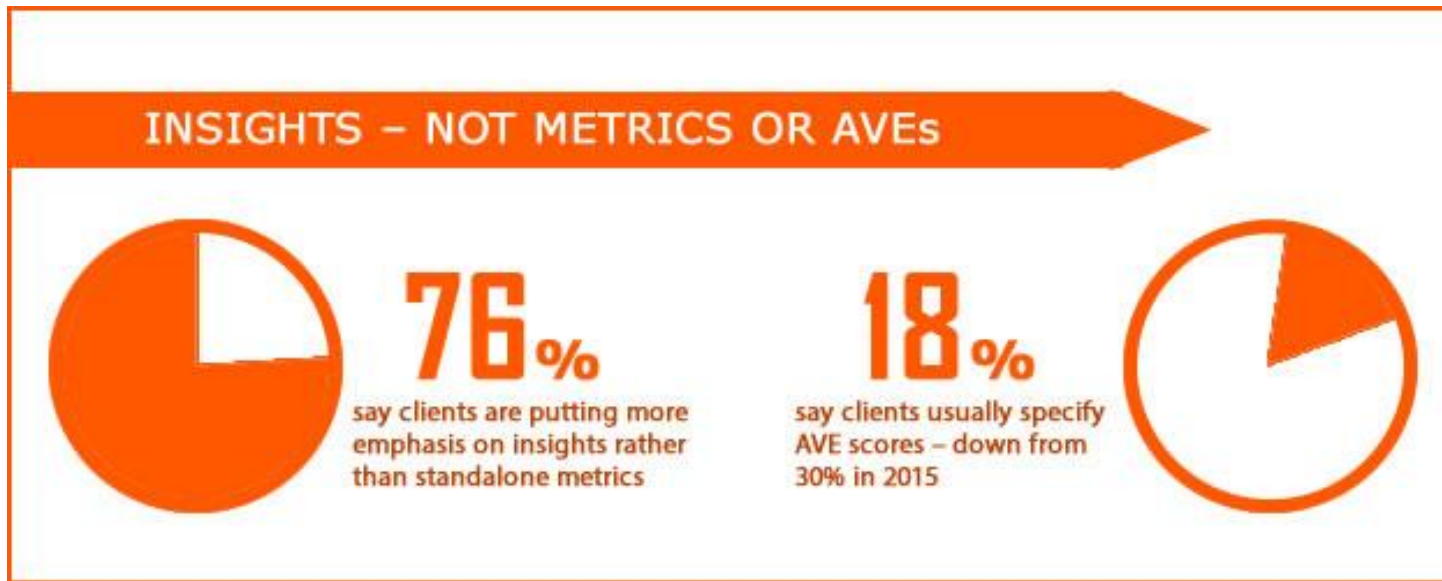


Where AMEC members do not refer to the Barcelona Principles in new business activity, this is often because the **reference to industry guidelines is general rather than specific** (54%).

One in three (35%) avoid mentioning the Barcelona Principles specifically because they feel **clients are unlikely to be interested** in that level of detail.

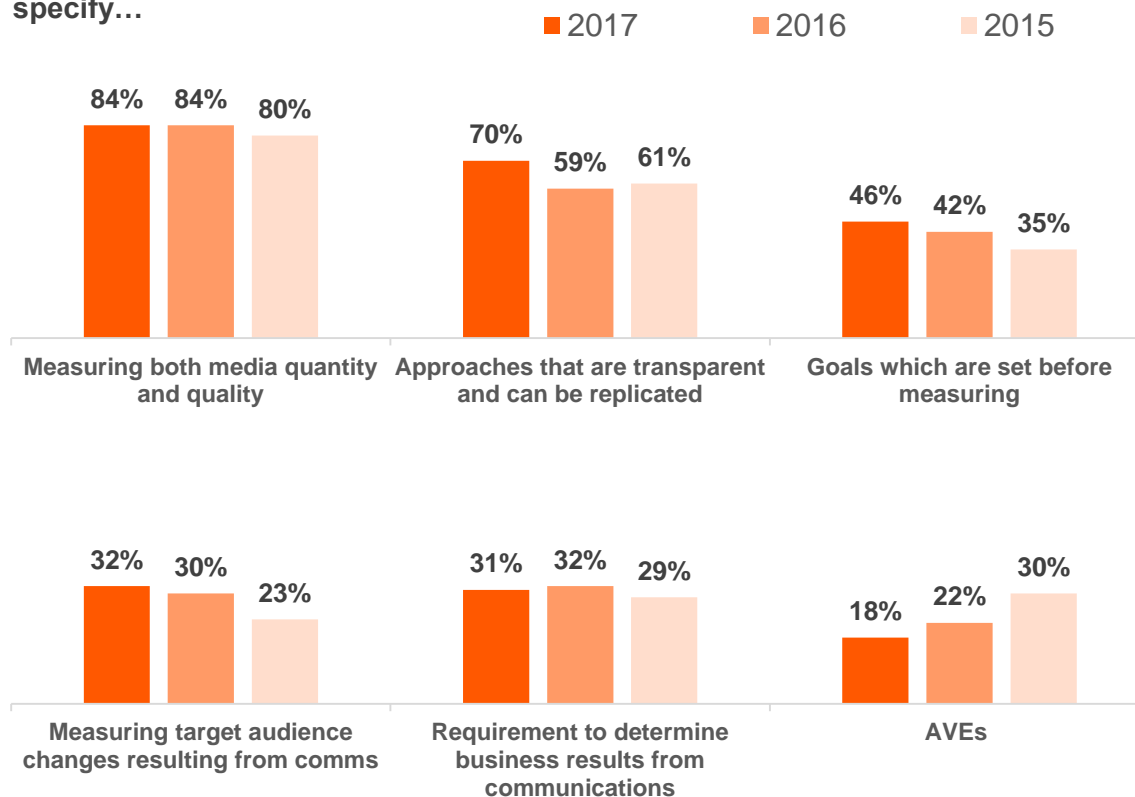
Smaller numbers of members avoid mentioning the Barcelona Principles because they use a separate **in house set of values** (14%), find the Barcelona Principles **too generic** (11%) or have clients who insist on **sticking with AVEs** (11%).

# Client/stakeholder expectations



# Client work specifications

Clients always/ mostly specify...



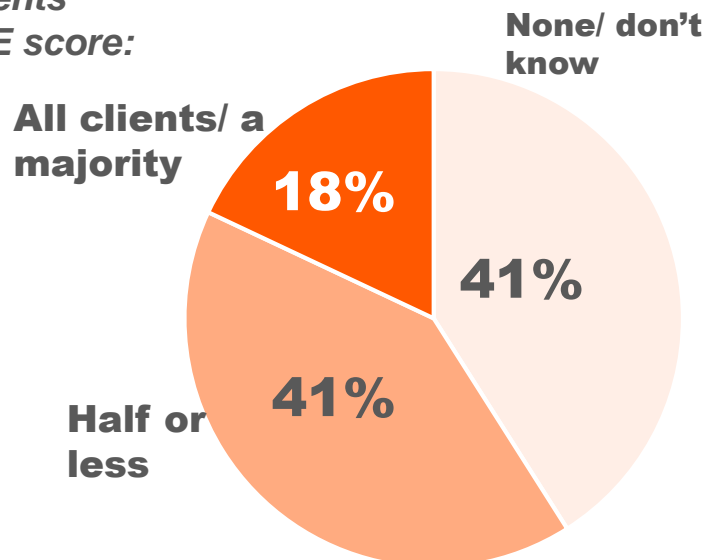
As in 2016, 84% of AMEC members say that clients usually expect commissioned work to **measure both quantity and quality**. Another aspect of client specifications which has remained fairly constant over the last few years is the **requirement to determine business results from communications** – 31% say this is usually part of the client spec this year, a similar proportion to 2016 and 2015.

However, other aspects of client specifications are changing. More clients this year (70%) are insisting that **approaches are transparent and can be replicated**, and there have been steady increases in the past three years in the proportions asking for **goals to be set before measuring** and the **measurement of target audience changes from communications**.

Meanwhile, the proportion usually specifying an **AVE score** as part of their commissioned work continues to decline, down to 18% this year.

# AVE scores

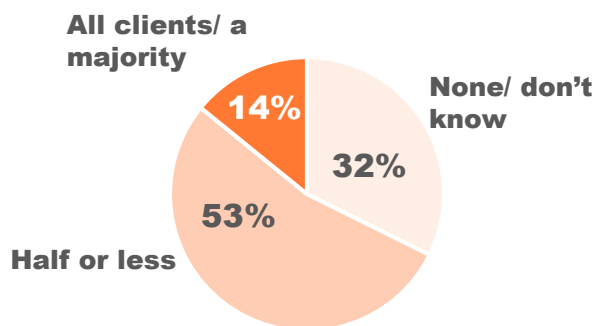
*Proportion of clients provided with an AVE score:*  
2017



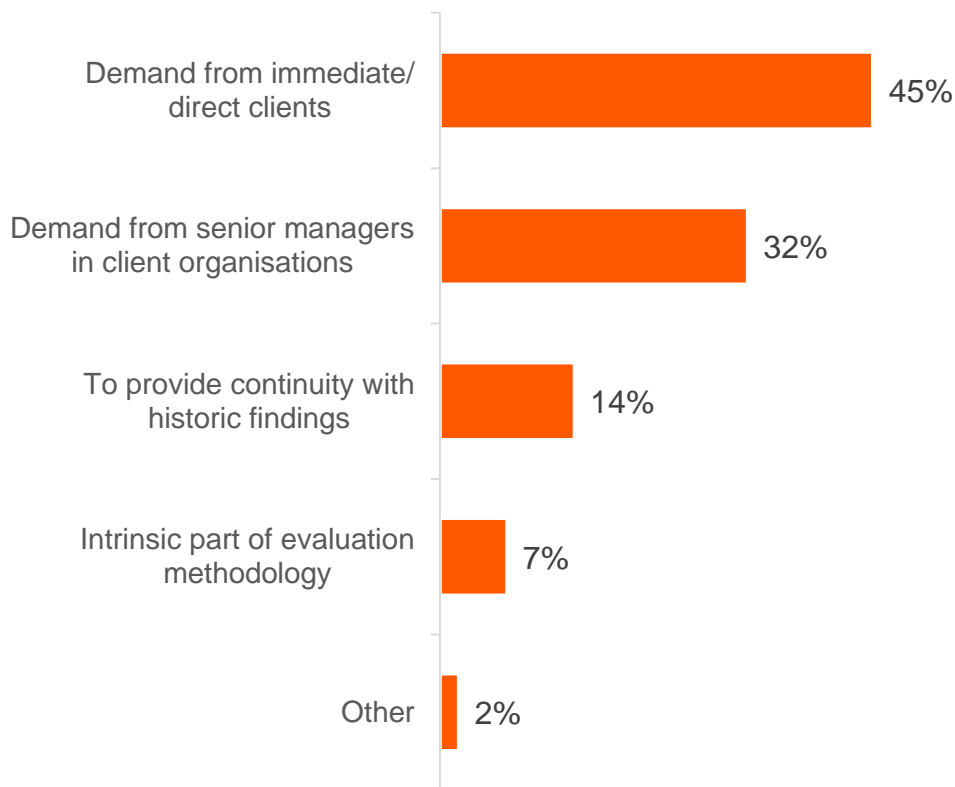
While the proportion of clients who require AMEC members to provide an AVE score as part of their work specifications has declined over time (see previous chart), 18% of members are still **providing an AVE score** to all or most of their clients. Four in ten (41%) provide AVEs to no more than half of their clients.

When compared with 2016, the proportion providing AVEs to most clients is slightly up from 14% to 18%, although the proportion saying they don't provide AVEs to any clients is also up, from 32% in 2016 to 41% this year.

2016



# Reasons for providing AVEs

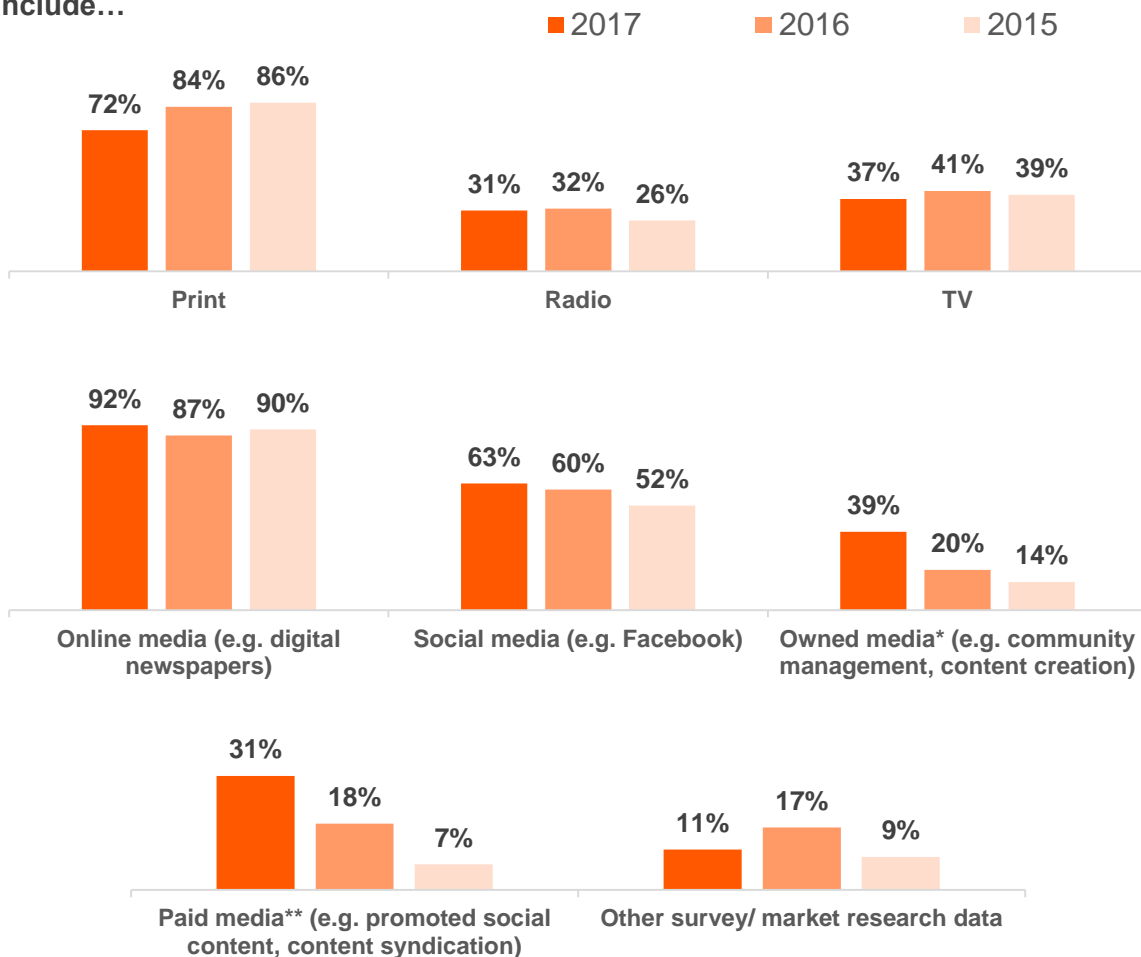


Members who currently provide AVE scores to any of their clients were asked for the main reason why. In 45% of cases this is to meet **demand from direct/immediate clients**, while a further 32% say demand is coming from further up the **senior management** chain in the client organisation.

Only a small proportion (14%) provide AVE's to **maintain historic continuity** or because AVE is an **intrinsic part of evaluation methodology** (7%).

# Media channels

Clients always/ mostly include...



\*Prior to 2017 defined as e.g. client's website \*\*Prior to 2017 defined as e.g. advertising

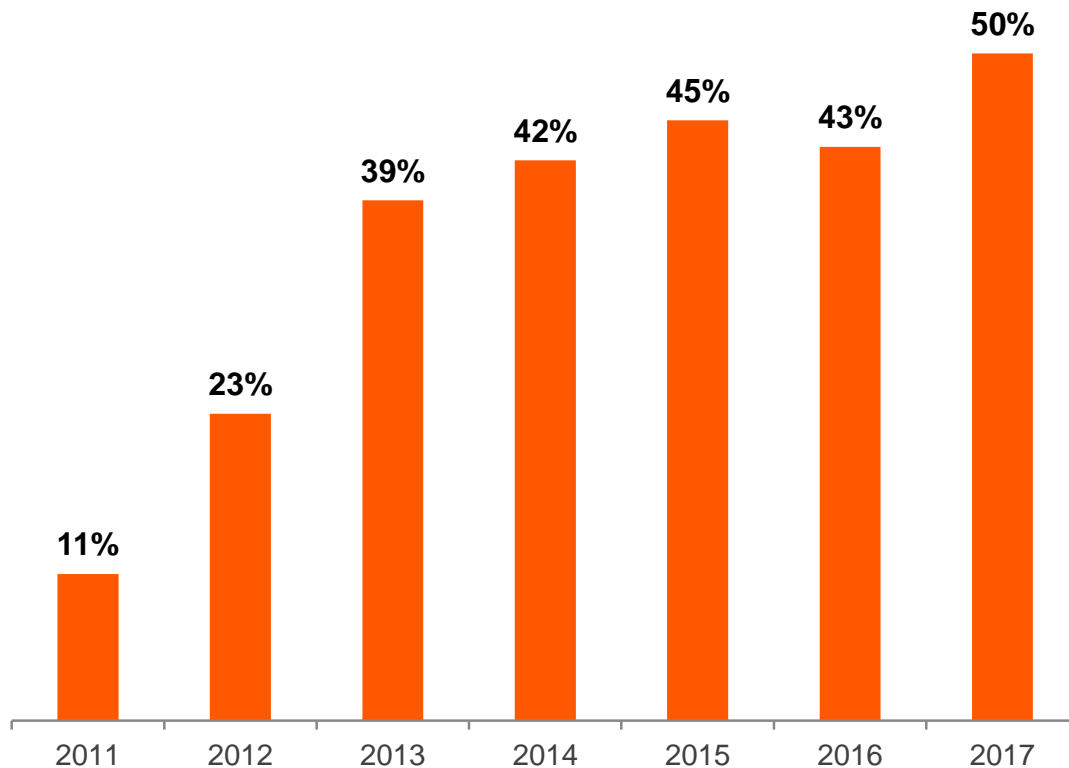
Client work is most likely to include **online media such as digital newspapers** – 92% of AMEC members say this is normally covered in the scope of commissioned work. Meanwhile, **print media** – which has previously been part of the scope of client work for a similar proportion to online media – is now becoming less important, with 72% saying this is normally included in work specifications, compared to 84% last year.

The proportion of clients including **social media** continues to increase – up from 60% in 2016 to 63% in 2017. Also increasing are the numbers who say clients normally include **owned media** and **paid media**, although both of these categories have been redefined for this year's survey, so the increases illustrated here may be partly due to this.

Client demand for **radio** and **TV** to be included remains at similar levels to recent years.

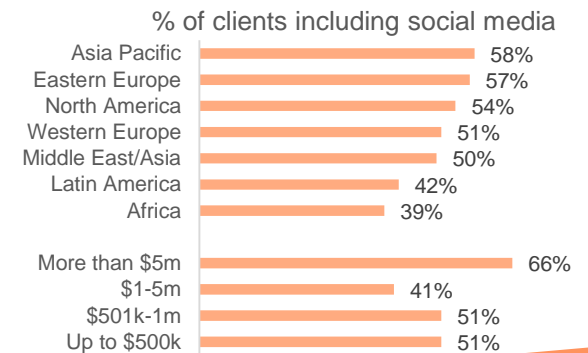


# Social media



Half of all AMEC member clients (50%) now **include social media measurement** in their work programmes – the highest proportion since the question was first asked in 2011.

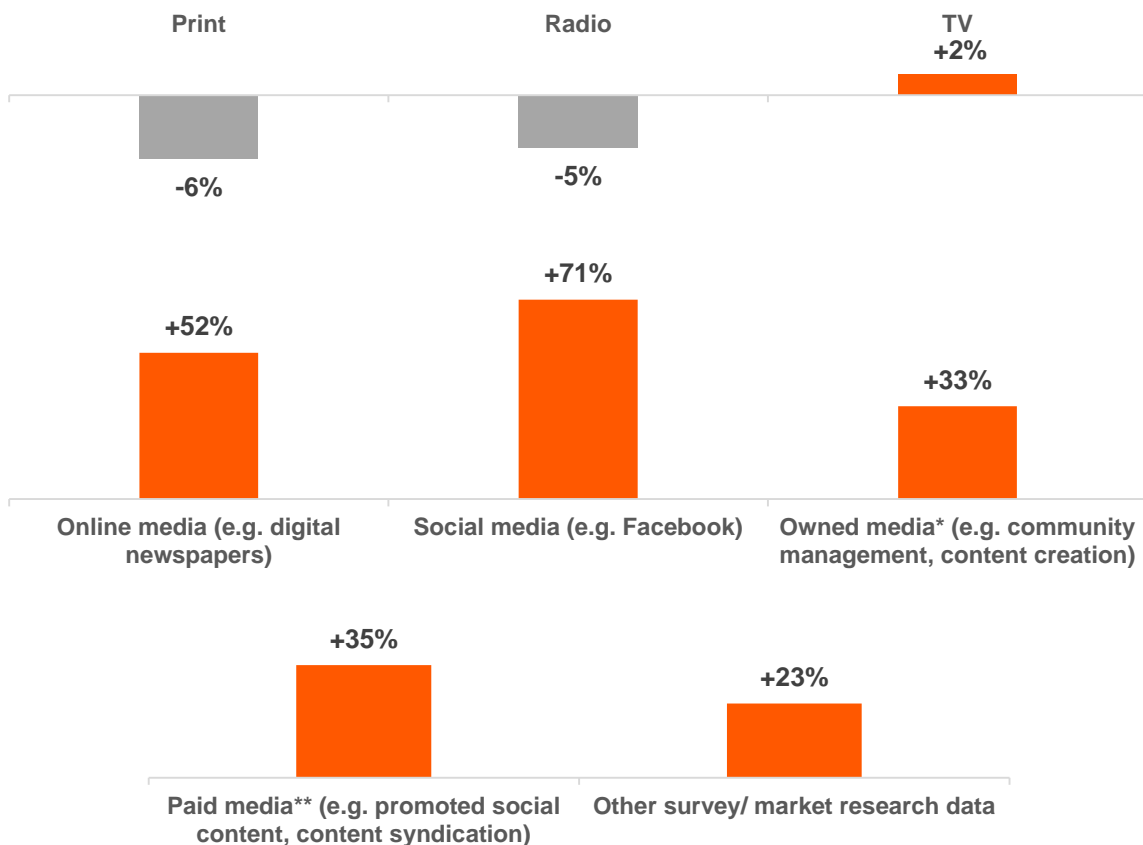
Social media measurement is most likely to be included in the scope of work commissioned from members operating in Asia Pacific and Eastern Europe. In addition, the largest AMEC members are more likely to have clients demanding social media measurement – on average, 66% of clients in member companies with income of more than \$5m include it in their spec.





# Change in demand - channels

% saying demand has increased in past year *minus* % saying demand has decreased



Members are also asked about how demand is changing across different channels, based on the most recent 12 month period. The strongest increase in demand has been for **social media measurement**, where 73% report an increase and 2% a decrease, giving a net score of +71%.

Strong growth in demand is also reported for **online media, owned media, paid media** and **other survey/market research data**. However, demand for **radio** and **print** media measurement has declined slightly during the past 12 months.

\*Prior to 2017 defined as e.g. client's website \*\*Prior to 2017 defined as e.g. advertising

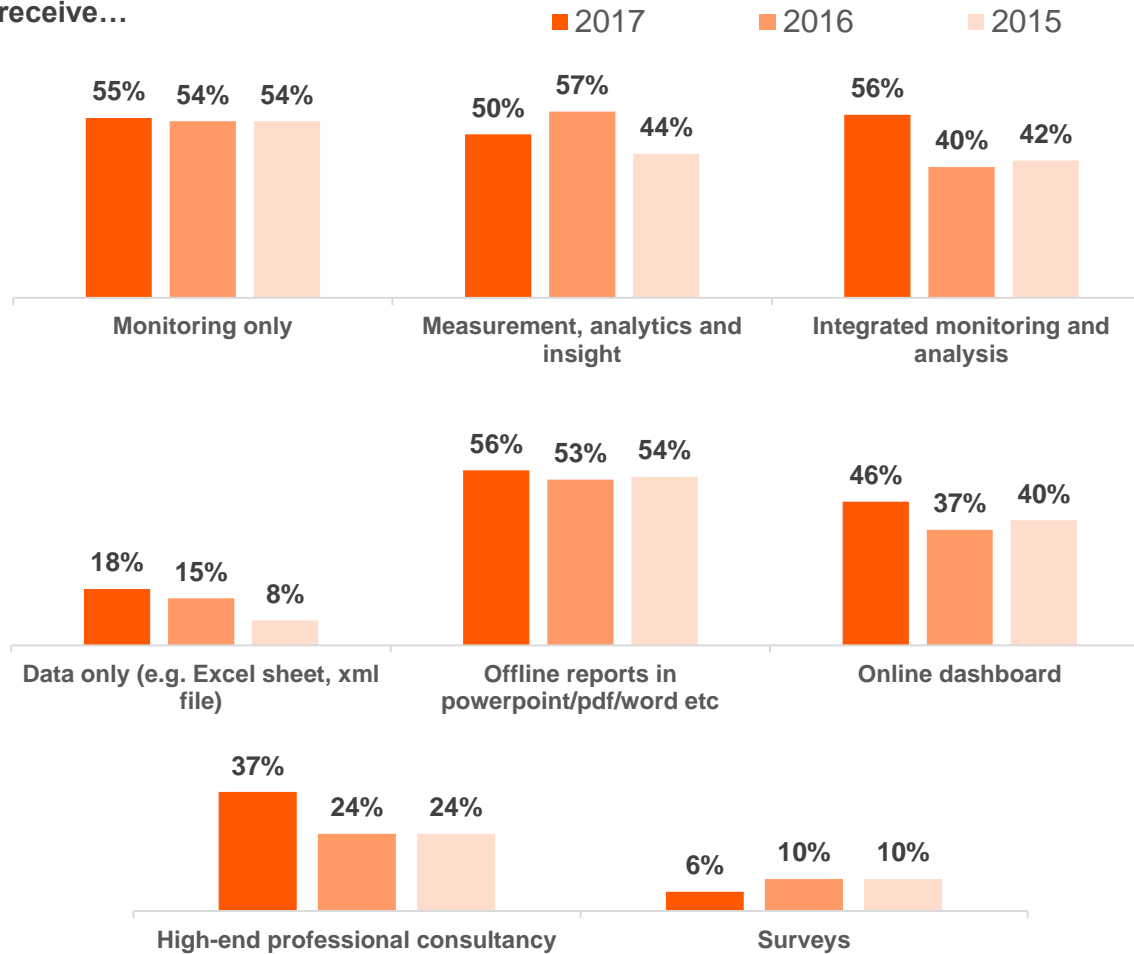


amec  
Global Business  
Insights Study 2017

Q Please indicate how client/stakeholder demand for measurement has changed in the past 12 months  
Base: All members

# Service mix

Clients always/ mostly receive...



More clients than in previous years are now receiving **integrated monitoring and analysis** as part of their service from AMEC members – 56% of members say clients usually receive this kind of service, compared to 40% in 2016. Client service is also more likely to include **high-end professional consultancy** (up from 24% last year to 37%) and **online dashboards** (up from 37% in 2016 to 46%).

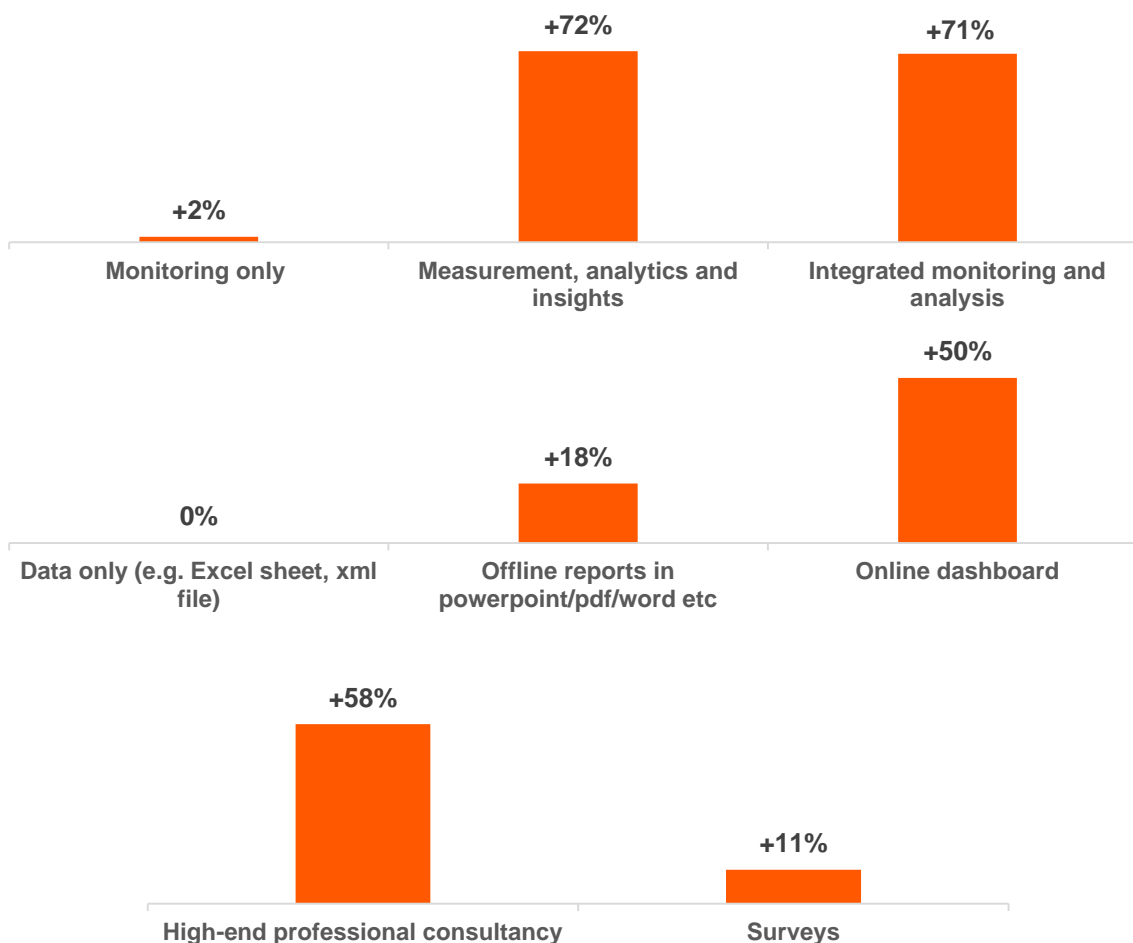
Meanwhile, the proportion of clients receiving a **monitoring only** service remains steady at 55% and AMEC members continue to produce **offline reporting** for slightly more than half of clients (56%). The proportion of clients regularly receiving a service combining **measurement, analytics and insight** stands at 50% this year.

Fewer than one in five clients usually receives a **data only** level of service (18%), although this is considerably higher when compared with two years ago.



# Change in demand – service mix

% saying demand has increased in past year *minus* % saying demand has decreased



AMEC members identify strong growth in demand for services which incorporate analysis and consultancy when compared with 2016. The greatest increase in demand is reported for combined **measurement, analytics and insights**, closely followed by the increase in demand for **integrated monitoring and analysis**. Demand for **high-end consultancy** has also grown strongly.

Elsewhere, members report a noteworthy increase in demand for **online dashboard reporting**, but growth in demand for **offline reporting** and **surveys** is less striking, while there is no increase in demand for **data only** and **monitoring only** services.



# The role of AMEC

ENGAGING WITH THE MARKET

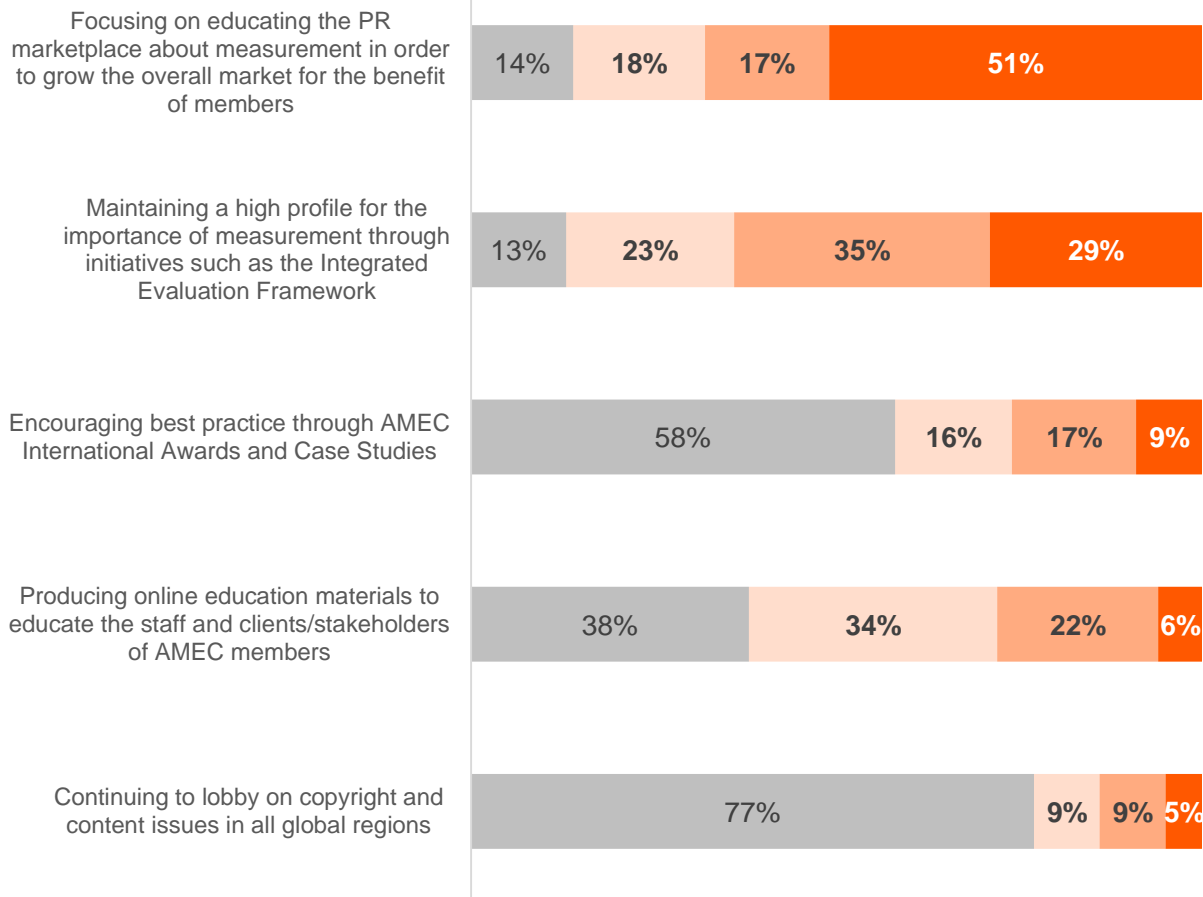


8 out of 10

think AMEC's top priority should be to engage the PR/comms marketplace through education about measurement and initiatives such as the Evaluation Framework

# AMEC strategic priorities

■ Ranked 4th/5th   ■ 3rd   ■ 2nd   ■ Ranked top



Members were asked to consider five of AMEC's strategic goals and to rank them in order of priority.

As the chart illustrates, there is a clear leader in terms of top strategic priority – **focusing on educating the PR marketplace about measurement in order to grow the overall market for the benefit of members** was selected by 51% as the top priority.

The second most likely to be selected as a top priority (29%) is **maintaining a high profile for the importance of measurement through initiatives such as the Integrated Evaluation Framework**.

Both of these strategic goals are selected by more than eight in ten members in their top three priorities. Of the remaining three objectives listed, only **producing online education materials to educate staff and clients of AMEC members** is selected as a top three priority by more than half (60%).

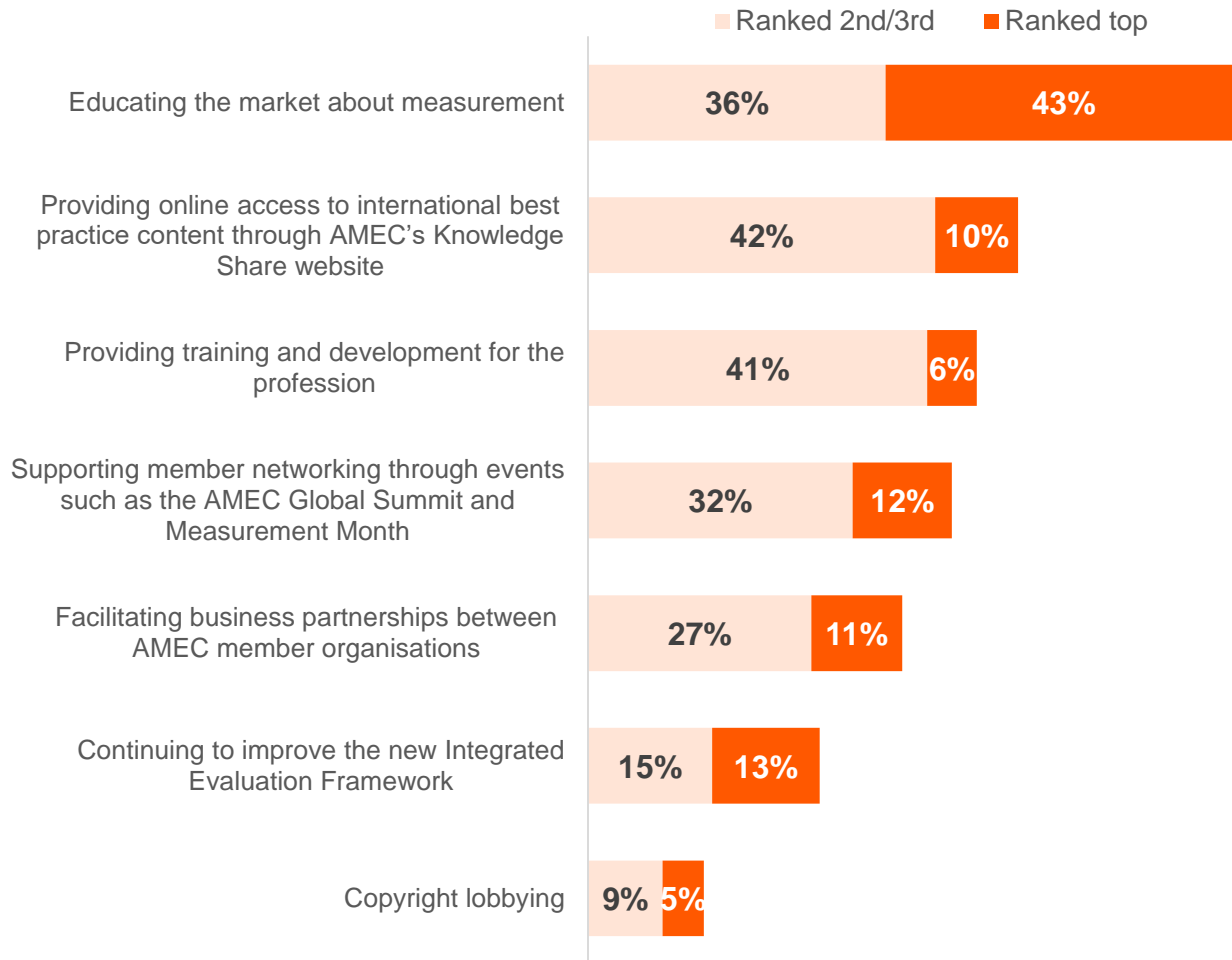


Q From your own point of view, please rank this list of strategic priorities for AMEC from 1 to 5 where:

1 = highest priority and 5 = lowest priority

Base: All members

# Helping members conduct business



Members were also asked to rank the top three areas where they most expect AMEC to support their businesses. **Educating the market about measurement** is by far the main priority, ranked top by 43% and in the top three for 79%.

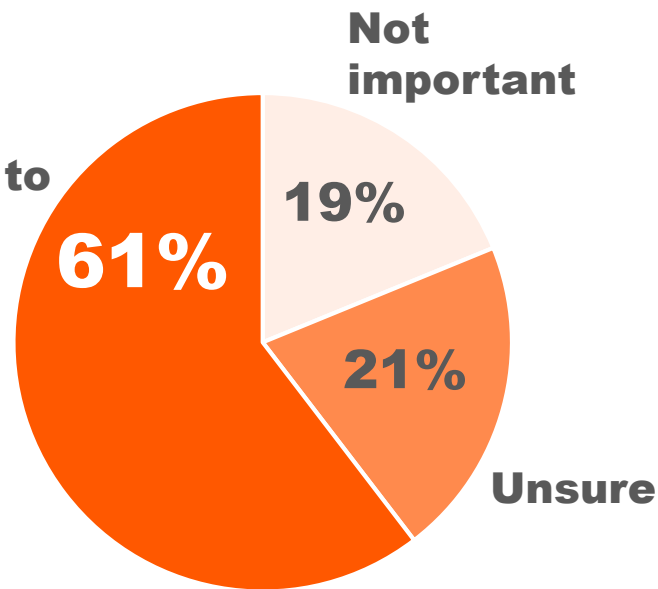
**Providing online access to international best practice through the Knowledge Share** website is a top three priority for more than half (52%), while 47% select **providing training and development for the profession** as a top three priority.

More than four in 10 (44%) think AMEC's role in **facilitating networking through events such as the global summit** is a top three priority, while 38% think **facilitating business partnerships between members** is in the top three.

More than a quarter (28%) of AMEC's members believe AMEC needs to continue to prioritise **improvements to the Integrated Evaluation Framework**.

# Training

**Critically/very important for AMEC to provide industry standard training**

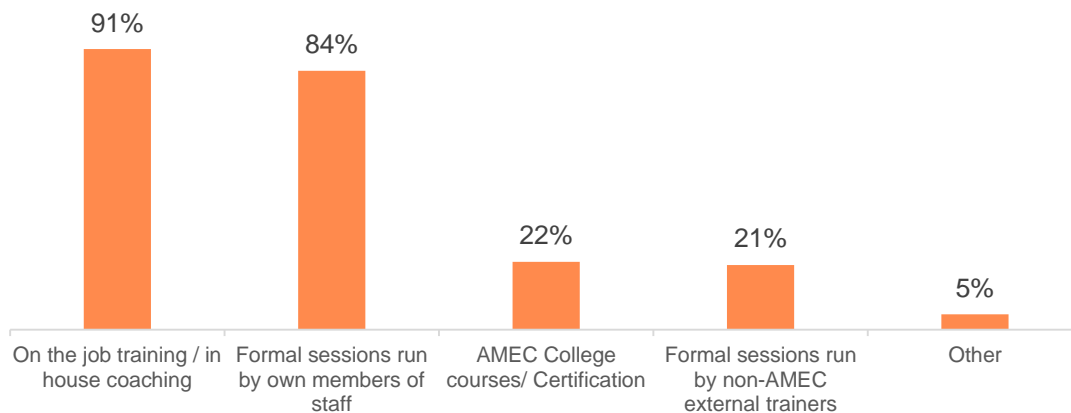


Most AMEC members currently develop staff through **on the job training/coaching** (91%) and/or through **formal training sessions run internally** by colleagues (84%).

Usage of external training is considerably less common, with 22% currently using **AMEC College courses / Certification** and 21% sourcing formal training from **non-AMEC external providers**.

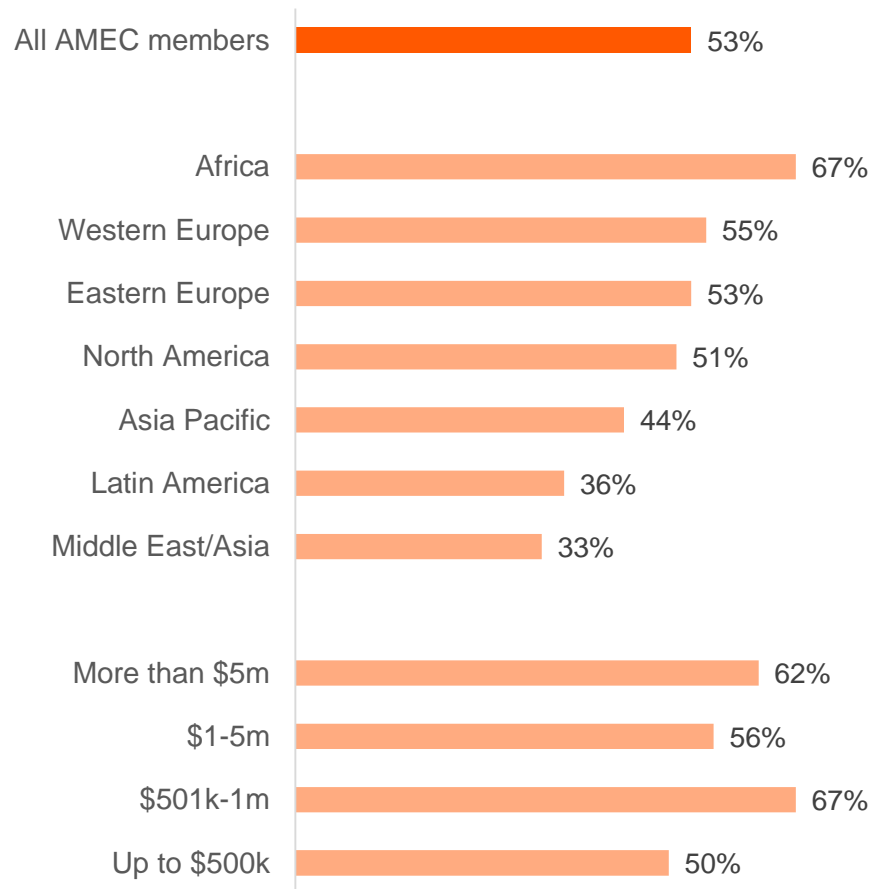
In total, 61% of members think it is **critically/very important** for AMEC to provide industry standard training through AMEC College and Certification, although 19% say it is not important for AMEC to do so.

## Types of training provided to staff



# Identifying industry partnerships

**AMEC membership helps me identify potential industry partners which can help my organisation compete for global business** (% = agree slightly + strongly)



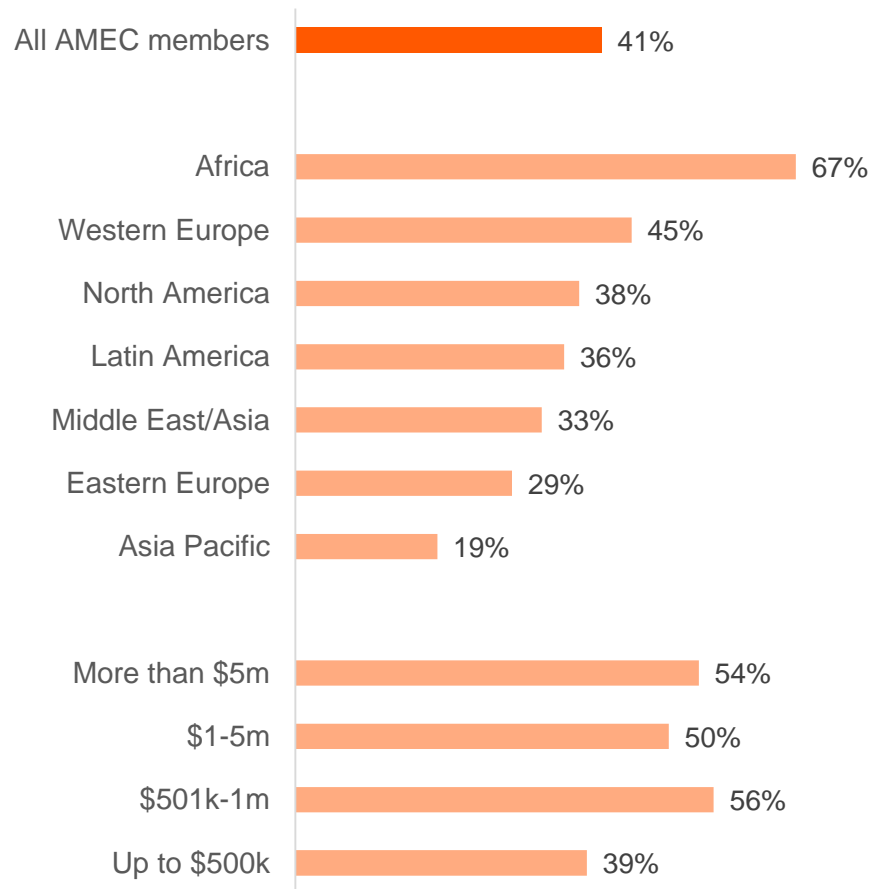
Overall, 53% of AMEC members believe that **membership helps them identify potential industry partners which can help them compete for global business**, while just 11% disagree. Support for this sentiment remains relatively stable, having stood at 51% in 2016 and 49% in 2015.

Members operating in Africa and Western Europe report the highest levels of agreement with this view, while those operating in the Middle East/Asia and Latin America are least likely to endorse it. In terms of business size, members in the \$501k-\$1m category are most likely to agree.



# Use of industry partnerships

**My organisation's use of industry partnerships with other AMEC members has increased in the last year** (% = agree slightly + strongly)



More than two in five (41%) say their **use of industry partnerships with other AMEC members** has increased in the last year, while 21% say they have not experienced an increase.

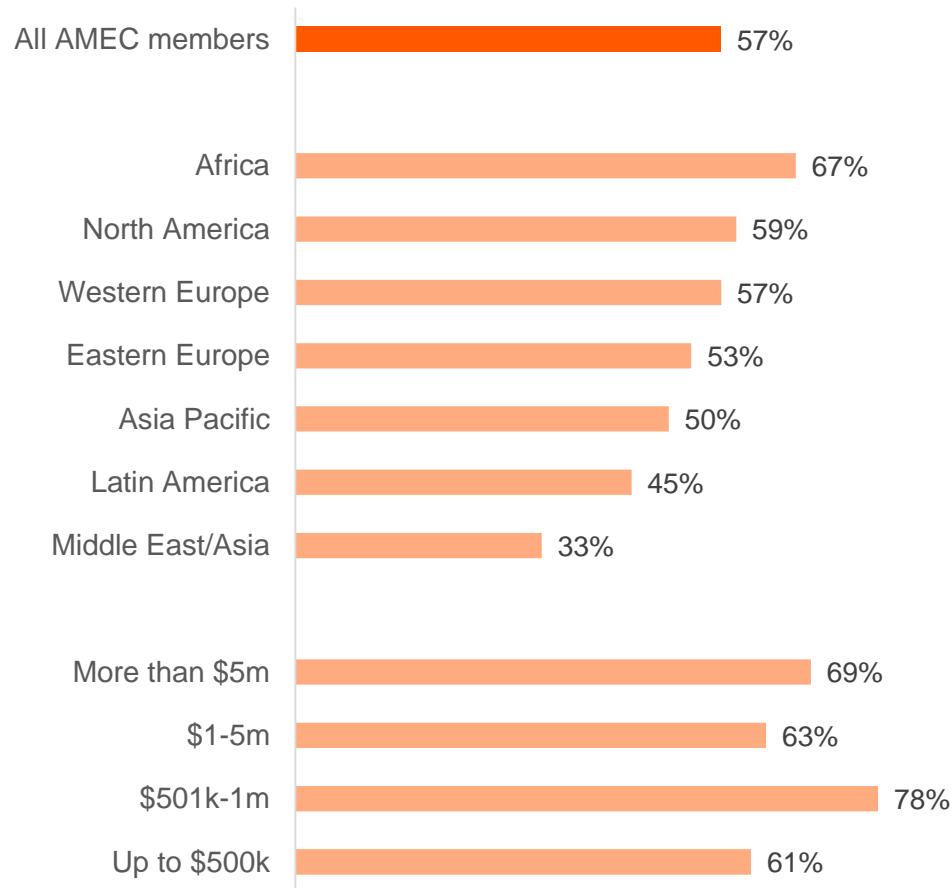
The proportion reporting an increase in use of industry partnerships is growing, up from 32% in 2016 to 41% this year. Meanwhile there is no change in the proportion who say they have not seen an increase (22% in 2016).

Increasing usage of industry partnerships is most common for members operating in Africa and Western Europe, while the lowest level is reported by members operating in Asia Pacific.

Usage of industry partnerships is increasing in half or more of all AMEC members with annual income of more than \$500k.

# Importance of industry partnerships

**This kind of industry partnering with other AMEC members is becoming increasingly important**  
 (% = agree slightly + strongly)



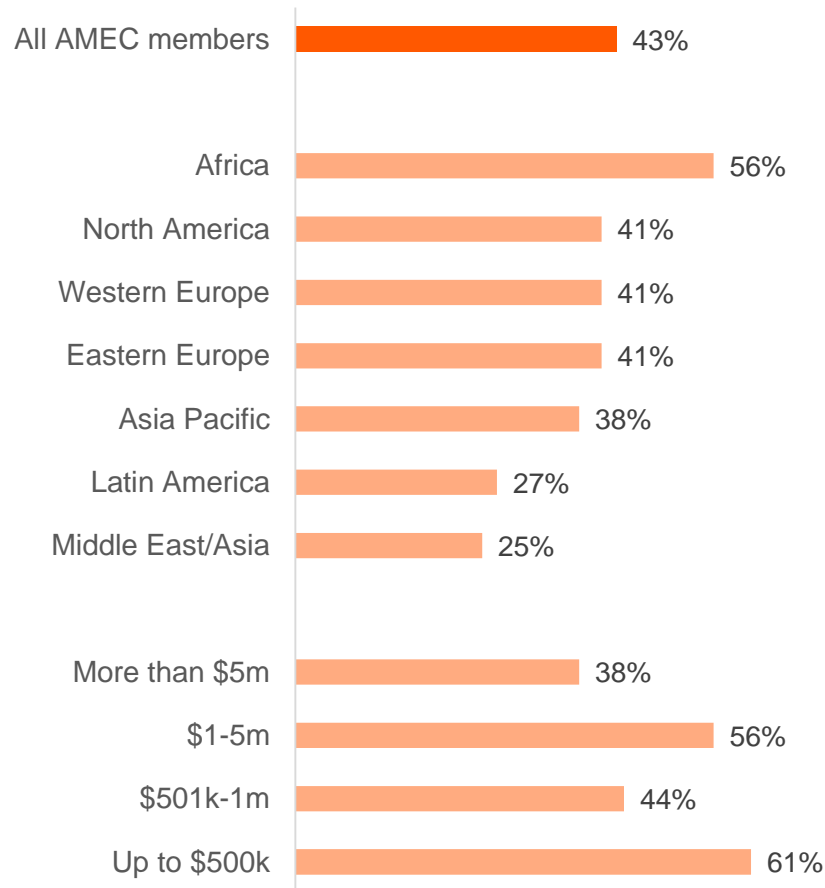
As was the case in 2016, well over half (57%) of members agree that **industry partnering with other AMEC members is becoming increasingly important**, and only 9% disagree with this view.

Members operating in Africa and North America are most likely to endorse the view that partnerships are becoming increasingly important, while the lowest level of agreement is from members working in the Middle East/Asia.

A majority of members in all four business size categories support this view of partnerships, especially in the \$501k-\$1m band, where 78% agree.

# Industry partnerships - competition

**This kind of industry partnering is the most effective way for small and medium-sized AMEC members to compete with the largest AMEC firms** (% = agree slightly + strongly)



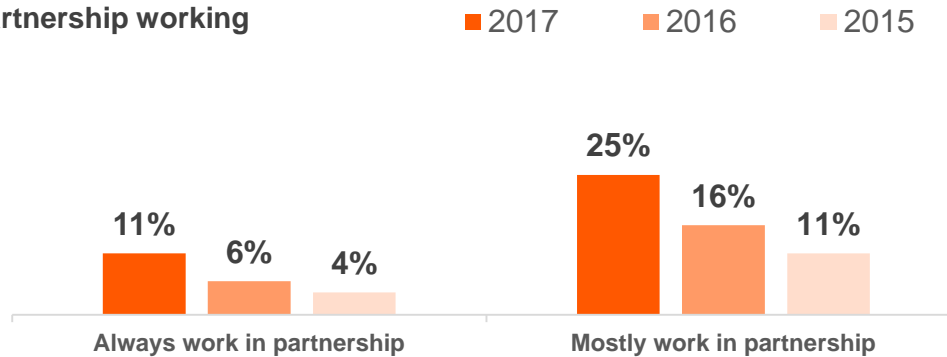
Industry partnering with other AMEC members is seen as **the most effective way for small and medium-sized members to compete with the largest firms in the industry** by 43%. Just 10% disagree with this sentiment while almost half (47%) don't express a view either way.

Members in the smallest size band of up to \$501k annual income are most likely to endorse the view (61%), which is also widely held by members with \$1m to \$5m annual income (56%).

# Business operations

# Partnership working

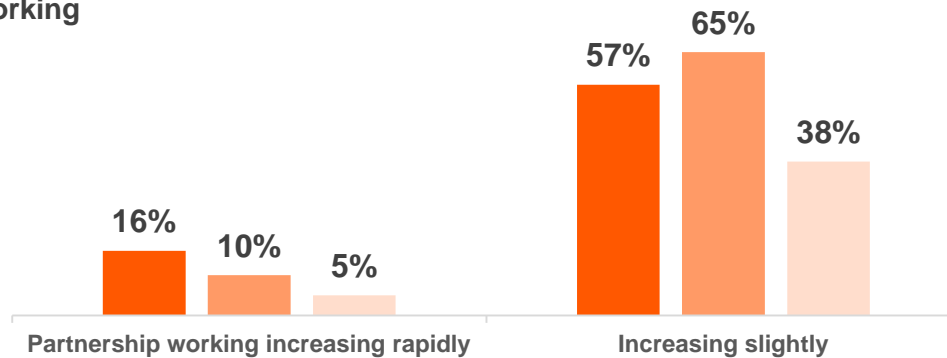
## Frequency of partnership working



In 2017, more than one in ten AMEC members (11%) say they always **work in partnership or alliances with other organisations in order to fully deliver the global footprint service required by clients**. In addition, 25% say they work in this kind of industry partnership most of the time.

The proportion saying they always/mostly work in partnership has jumped to 36% this year, increasing from 22% in 2016 and 15% in 2015.

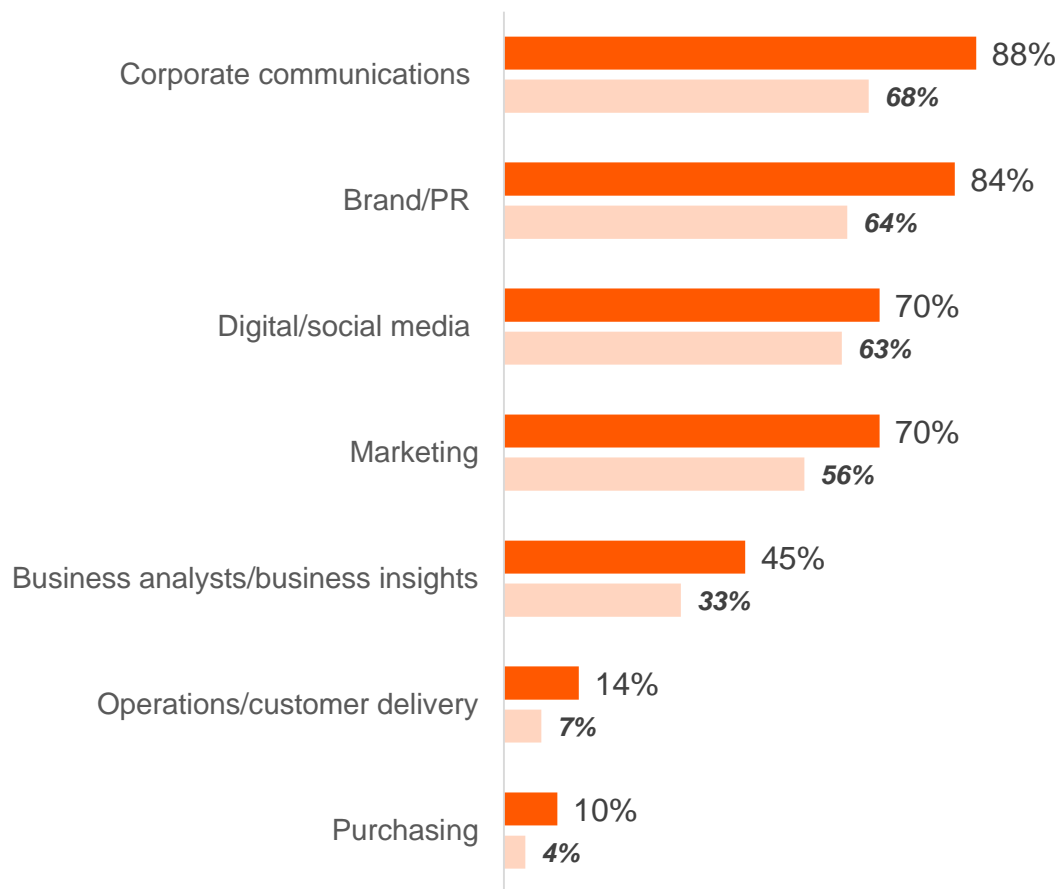
## Increase in partnership working



In a separate question, 16% of members say that **the frequency of working in partnership with other firms is increasing rapidly**, compared with 10% last year and 5% in 2015.

# Client functional roles

■ Have clients    ■ Demand increasing



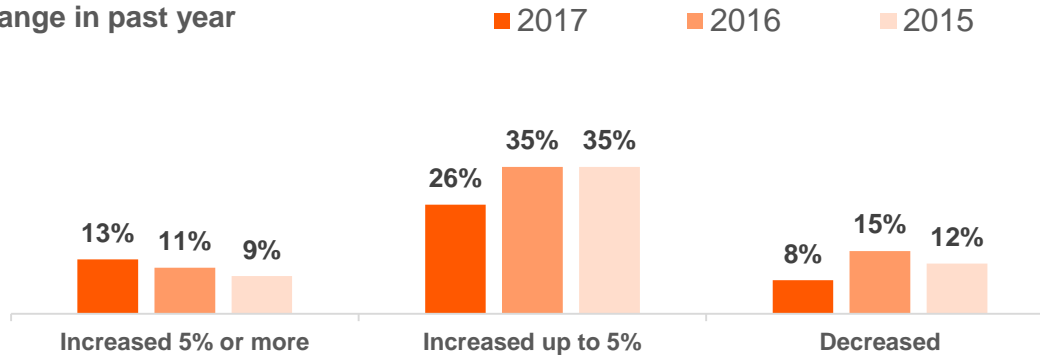
The vast majority of AMEC members have direct clients working in **corporate communications** (88%) roles and **brand/PR** roles (84%). Most also deal with clients who work in **digital/social media** (70%) and **marketing** (70%).

Almost half (45%) have clients who work in **business analyst** roles and some are also reporting direct clients based in **operations/customer delivery** (14%) and **purchasing** (10%).

**Demand for measurement and insights services is felt to be increasing** across all these functions, with the strongest increases identified in corporate communications (68%), brand/PR (64%) and digital/social media (63%).

# Pricing

## Prices to clients – change in past year

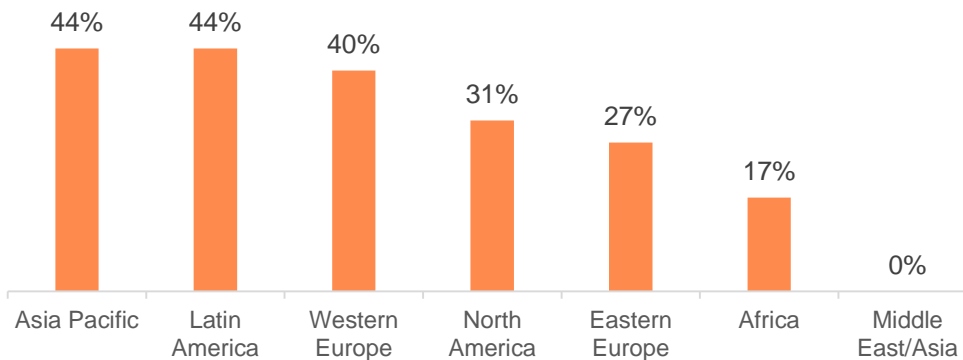


Overall, 39% of members have **increased prices** to clients this year – 13% by 5% or more and 26% by up to 5%. Meanwhile, 8% of members have **reduced prices** to clients during the past 12 months.

The total proportion of members increasing prices is slightly lower this year (39%) than in 2016 (46%) and 2015 (44%).

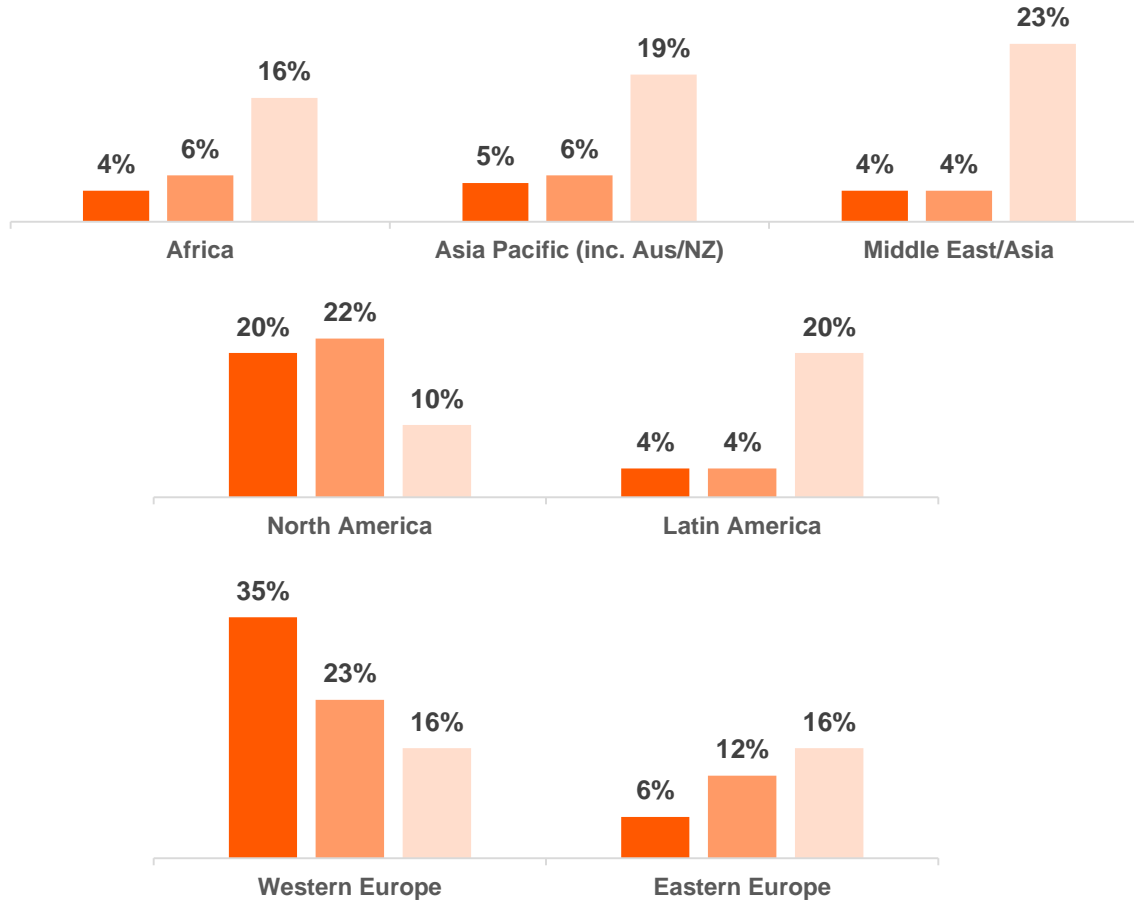
Members operating in Asia Pacific (44%) and Latin America (44%) are most likely to have been able to implement some level price increase. However, none of the AMEC members operating in the Middle East/Asia report a price increase in the past 12 months.

## Increased by any amount in past year



# Business carried out by region

■ Carry out >50% in region ■ Carry out 11-50% in region ■ Carry out up to 10% in region



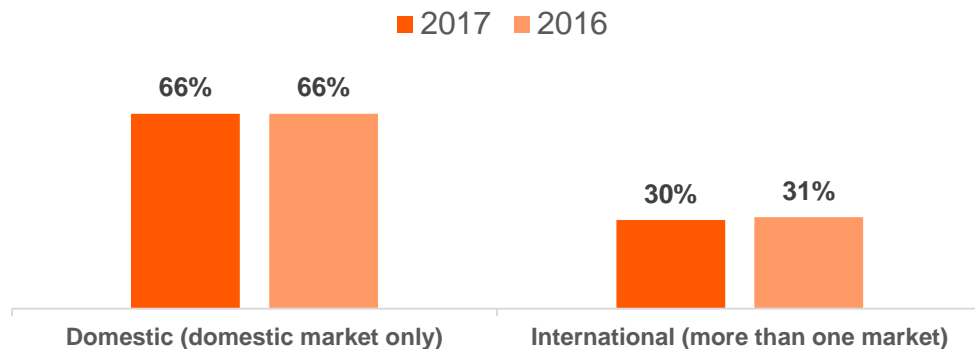
The study includes a question about **where members carry out their business**, the results from which are used to define the different regional groups used for analysis in this report. This chart shows the proportion of members in three categories for each region:

- Carry out more than 50% of business in region
- Carry out 11-50%
- Carry out up to 10%

Almost three-quarters of AMEC members (74%) conduct at least some business in Western Europe, and 52% carry out work in North America. Around a third operate in Eastern Europe (34%), the Middle East/Asia (31%) and/or Asia Pacific (30%), while slightly fewer are active in Latin America (28%) and/or Africa (26%).

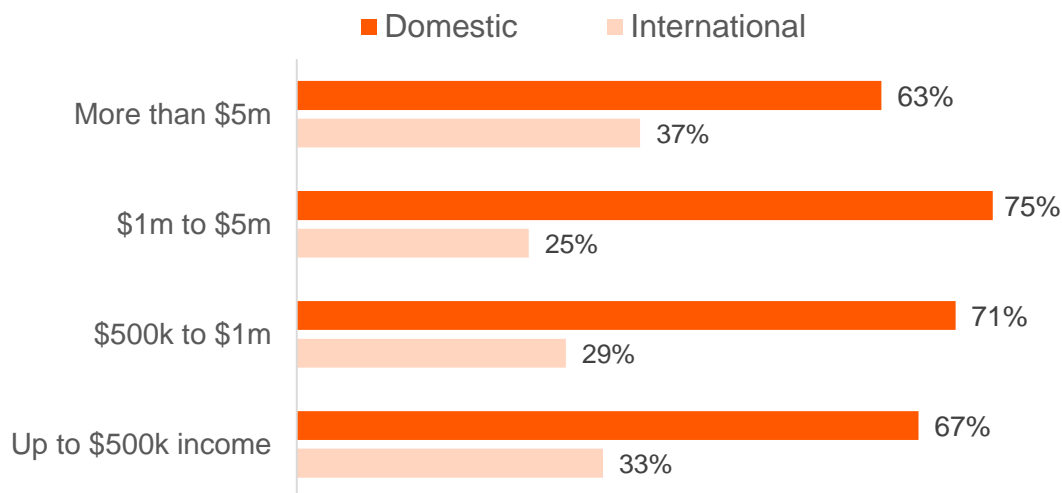


# Domestic/international split



As in 2016, two-thirds (66%) of work commissioned from AMEC members is limited to the **domestic market**, with 30% of work commissioned across more than one country.

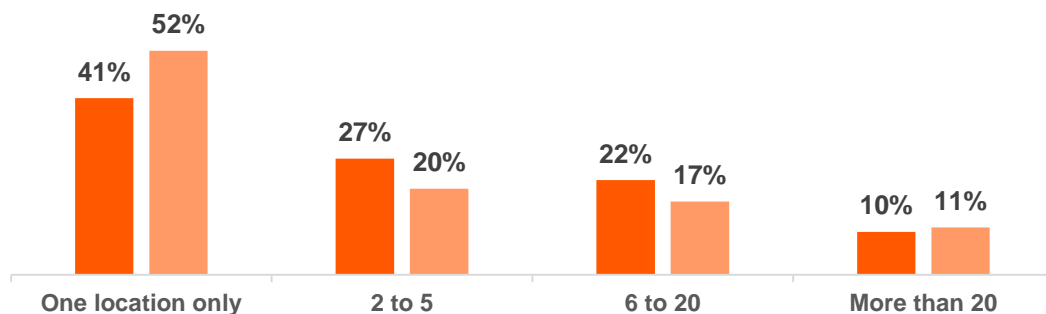
When member size bands are compared, the proportion of international work commissioned is highest among firms with annual income over \$5m (37%) and lowest among those with income of \$1m to \$5m (25%).



# Operational and client locations

## Operations

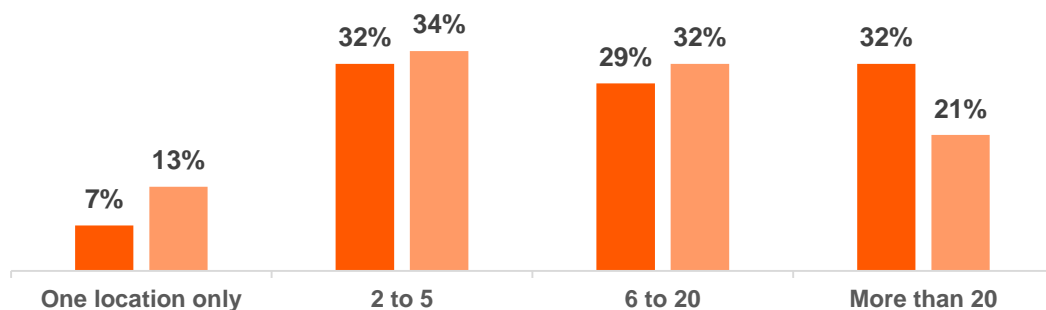
■ 2017 ■ 2016



While the overall proportion of international business appears to be stable year-on-year, members are more likely to be operating in more than one country now than 12 months ago. The number who **operate solely in one country** is down from 52% to 41% this year, while 59% now operate in more than one country, compared with 48% last year.

This reflects a change in client profile in the past year or so, with the proportion of members saying they have **clients based only in one country** down from 13% to 7%, while the proportion with clients in more than one country is up from 87% to 93%.

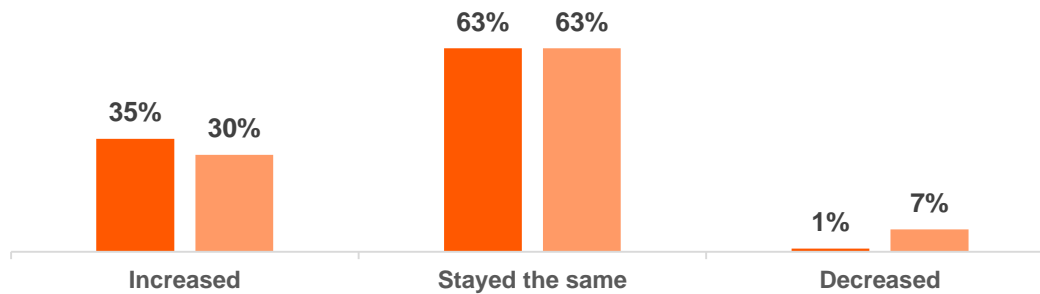
## Clients



# Change in number of locations

Change in number of operational locations

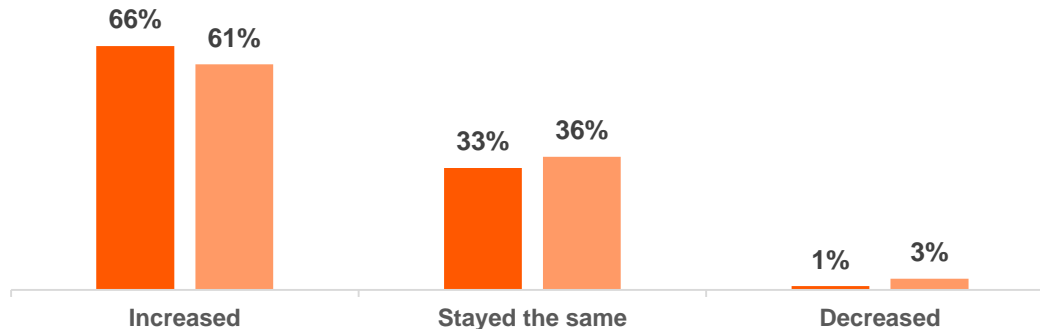
■ 2017 ■ 2016



Following on from the previous chart, members are more likely to say the **number of operational locations has increased** (35%) in the past couple of years than was the case in 2016 (30%), with the proportion reporting a decrease down from 7% to 1% over the same period.

Likewise, the **number of client locations** is reported to have increased recently by 66% this year, compared with 61% in 2016.

Change in number of client locations



# Benchmarking

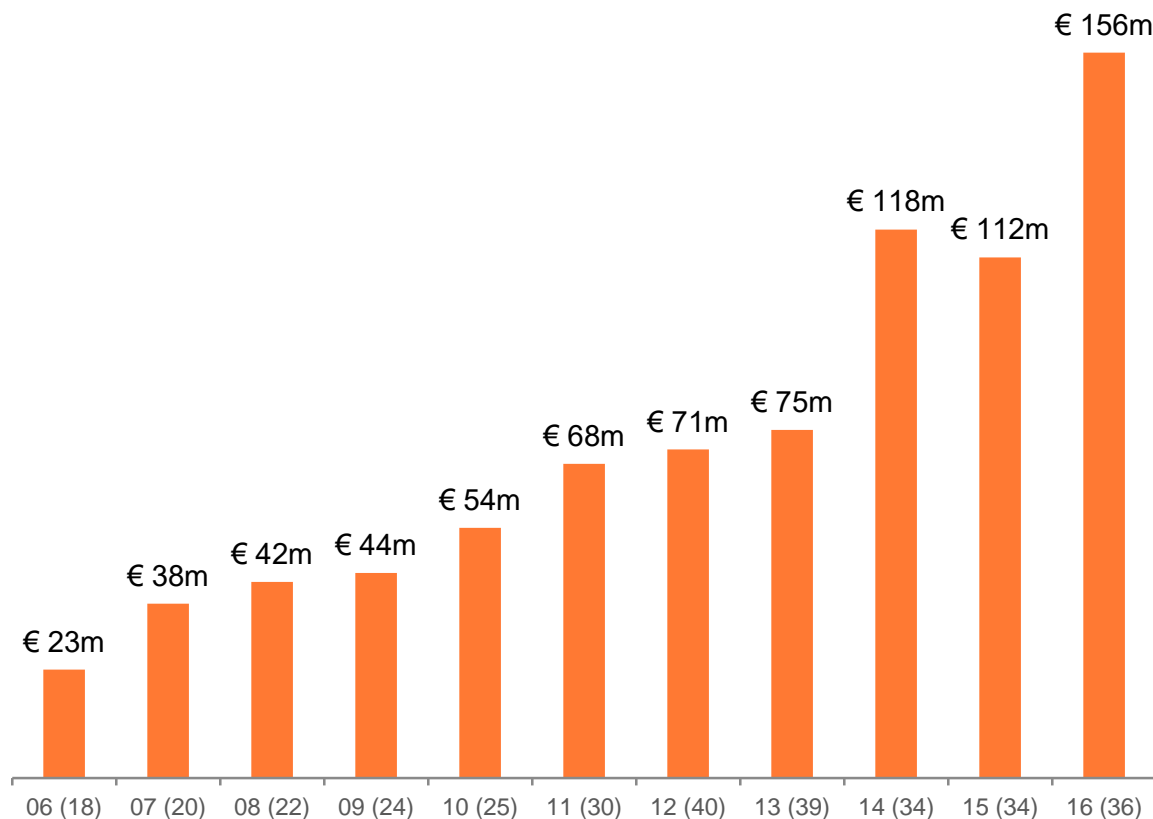
# Benchmarking

This section includes questions on business metrics and performance which have been asked each year since the benchmarking began in 2008

Members can choose to opt out of the benchmarking questions to avoid conflict with Sarbanes-Oxley:

- In total, 44 of the 85 participating member companies answered benchmarking questions in 2017, including 36 who supplied financial figures

# Overall income



The **total value of measurement and insights business undertaken** by AMEC members participating in this section of the study now stands at €156m, exceeding the €150m mark for the first time in the history of the study.

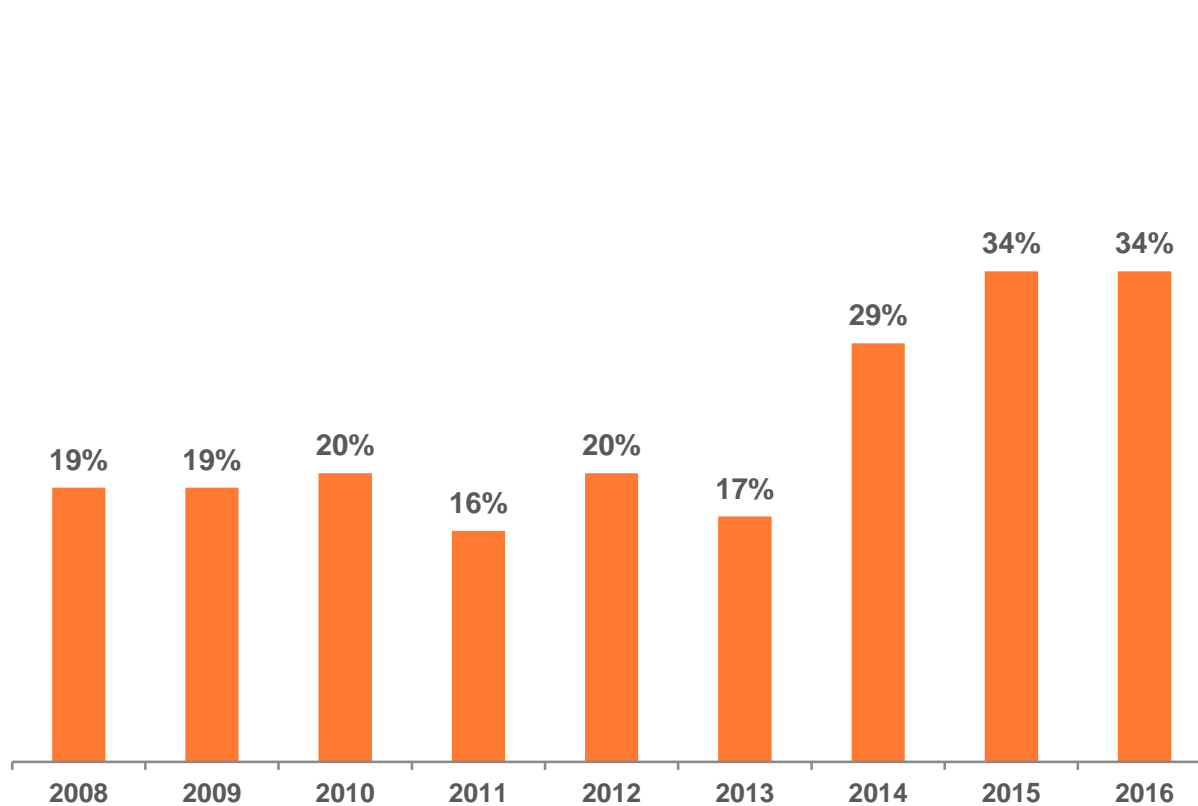
Reporting is based on the calendar year prior to the research, so for the current study, figures are for 2016.

The figures we report here are determined by the make up of the set of members submitting figures each year, and do not represent any kind of estimate of the overall value of the industry as a whole. A total of 36 out of 85 members submitted business income figures for 2016, and form the base for this year's figure of €156m.

The figures shown on this page broadly reflect the upward trajectory of growth in the industry since data was first collected, for the calendar year 2006.

# Ad hoc vs continuous

% of client business which is **ad hoc** rather than continuous

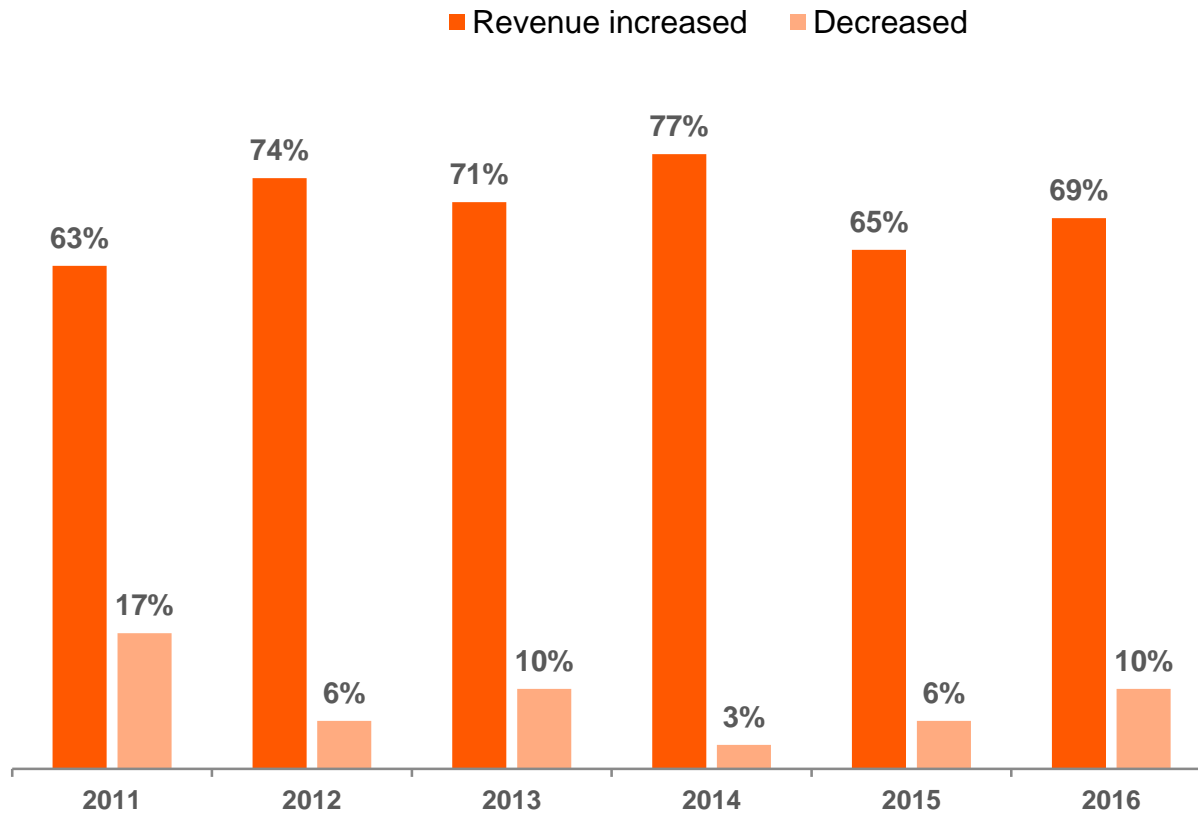


Members are asked to indicate the proportion of all measurement and insights business undertaken accounted for by **a) ad hoc and b) continuous work**. Reporting is based on the calendar year prior to the research, so for the current study, figures are for 2016.

This chart shows the proportion of **ad hoc work** reported each year since 2008. From 2008 to 2013, the split was broadly similar, with around 80% accounted for by continuous work and the remainder by ad hoc work.

This started to change in 2014, and by 2015 the proportion of ad hoc work had risen to 34%. This year, members report no change, with ad hoc assignments again accounting for 34% of business undertaken.

# Revenue growth

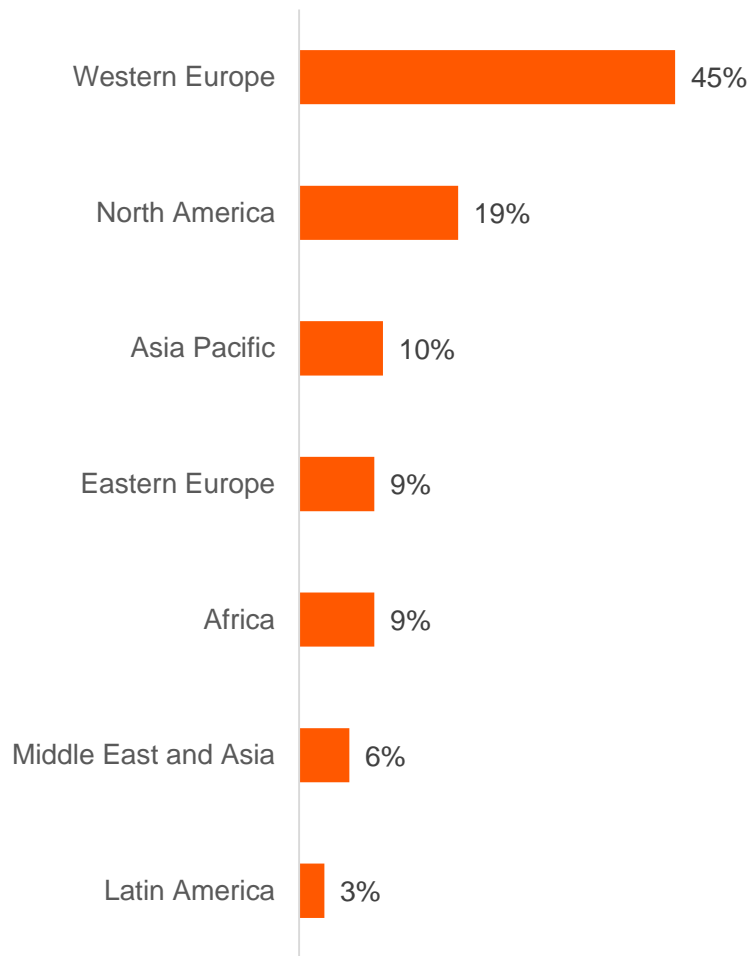


Almost seven in ten members (69%) completing the benchmarking questions say their **total revenue increased in 2016**, while 10% report a decrease in revenues for that period.

Figures for 2016 are broadly in line with previous years, with the proportion reporting an increase in revenues up from 65% in 2015 but below the 2014 level of 77%.



# Payroll numbers



Members completing the benchmarking section of the study are asked to indicate the total number of full-time equivalent payroll employees they had working on measurement business at the end of 2016, including all sites.

In total, 36 AMEC members answered the question, employing 1,775 full-time equivalent payroll employees at December 31<sup>st</sup> 2016.

When each member providing data is allocated to a region, on the basis of where they do the most amount of work, figures reveal that 45% are based in Western Europe, 19% in North America and 10% in Asia Pacific. (Note: these are estimates inferred from answers to regional questions, not precise figures)

## THANK YOU FOR TAKING PART

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